

Financial Statements
(Expressed in thousands of dollars)

FIRST NATIONS HEALTH AUTHORITY

And Independent Auditor's Report thereon

Year ended March 31, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of First Nations Health Authority

Opinion

We have audited the financial statements of the First Nations Health Authority (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2025
- 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 and other explanatory information, including Schedules 1 to 3.

(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, 2025, 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 consistent basis within that of the preceding period.

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

Chartered Professional Accountants

Vancouver, Canada
June 13, 2025

FIRST NATIONS HEALTH AUTHORITY

Statement of Financial Position
(Expressed in thousands of dollars)

March 31, 2025, with comparative information for 2024

| | 2025 | 2024 |
|---------------------------------|------------|------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 415,951 | \$ 357,055 |
| Short-term investments (note 4) | 14,971 | 61,296 |
| Accounts receivable | 25,778 | 67,541 |
| Prepaid expenses | 43,030 | 45,058 |
| | 499,730 | 530,950 |
| Security deposits | 231 | 255 |
| Capital assets (note 5) | 83,858 | 70,387 |
| | \$ 583,819 | \$ 601,592 |

Liabilities

| | | |
|---|------------|------------|
| Current liabilities: | | |
| Accounts payable and accrued liabilities (note 6) | \$ 164,548 | \$ 159,647 |
| Deferred contributions (note 7) | 138,391 | 146,947 |
| | 302,939 | 306,594 |
| Long-term debt (note 8) | 53,973 | 49,289 |
| | 356,912 | 355,883 |

Net Assets

| | | |
|--------------------------------------|------------|------------|
| Invested in capital assets (notes 9) | 29,344 | 20,441 |
| Internally restricted (note 13) | 182,021 | 184,997 |
| Unrestricted | 15,542 | 40,271 |
| | 226,907 | 245,709 |
| Commitments (note 10) | | |
| Economic dependence (note 2) | | |
| | \$ 583,819 | \$ 601,592 |

See accompanying notes and schedules to the financial statements.

Approved on behalf of the Board:

 Director

 Director

FIRST NATIONS HEALTH AUTHORITY

Statement of Operations
(Expressed in thousands of dollars)

Year ended March 31, 2025, with comparative information for 2024

| | 2025 | 2024 |
|---|----------------|----------------|
| Revenue (Schedule 1): | | |
| Federal Government | \$ 750,369 | \$ 736,688 |
| Province of British Columbia | 164,665 | 143,928 |
| Interest and miscellaneous income | 32,744 | 36,297 |
| Health Authorities of British Columbia | 1,396 | 860 |
| First Nations Information Governance Centre ("FNIGC") | 611 | 1,620 |
| | <u>949,785</u> | <u>919,393</u> |
| Expenses (Schedules 2 and 3): | | |
| Corporate operations | 77,611 | 67,490 |
| Governance and First Nations Engagement: | | |
| First Nations Health Council (note 15) | 2,761 | 2,230 |
| First Nations Health Directors Association (note 15) | 2,741 | 2,604 |
| First Nations Engagement | 6,549 | 6,635 |
| | <u>12,051</u> | <u>11,469</u> |
| Program services: | | |
| Health benefits | 277,681 | 263,747 |
| Direct community services funding | 377,021 | 368,852 |
| Health services and programs | 210,529 | 184,233 |
| Regional Operations | 13,694 | 14,434 |
| | <u>878,925</u> | <u>831,266</u> |
| | <u>968,587</u> | <u>910,225</u> |
| Excess (deficiency) of revenues over expenses | \$ (18,802) | \$ 9,168 |

See accompanying notes and schedules to the financial statements.

FIRST NATIONS HEALTH AUTHORITY

Statement of Changes in Net Assets
(Expressed in thousands of dollars)

Year ended March 31, 2025, with comparative information for 2024

| | Invested in capital asset (note 9) | Internally restricted (note 13) | Unrestricted | Total |
|--|--|---------------------------------------|--------------|------------|
| Balance, March 31, 2023 | \$ 13,080 | \$ 172,710 | \$ 50,751 | \$ 236,541 |
| Purchases of capital assets | 26,165 | (7,899) | (18,266) | - |
| Proceeds from long-term debt | (16,521) | - | 16,521 | - |
| Province of BC Internally Restricted | - | (8,120) | 8,120 | - |
| Federal Government Internally Restricted | - | (1,642) | 1,642 | - |
| FNHA Internal Reserves | - | 29,948 | (29,948) | - |
| Excess (deficiency) of revenue over expenses (note 9) | (2,283) | - | 11,451 | 9,168 |
| Balance, March 31, 2024 | 20,441 | 184,997 | 40,271 | 245,709 |
| Purchases of capital assets | 16,106 | (6,249) | (9,857) | - |
| Proceeds from long-term debt | (4,684) | - | 4,684 | - |
| Province of BC Internally Restricted | - | (1,451) | 1,451 | - |
| Federal Government Internally Restricted | - | 11,650 | (11,650) | - |
| FNHA Internal Reserves | - | (6,926) | 6,926 | - |
| Excess (deficiency) of revenue over expenses (note 9) | (2,519) | - | (16,283) | (18,802) |
| Balance, March 31, 2025 | \$ 29,344 | \$ 182,021 | \$ 15,542 | \$ 226,907 |

See accompanying notes and schedules to the financial statements.

FIRST NATIONS HEALTH AUTHORITY

Statement of Cash Flows
(Expressed in thousands of dollars)

Year ended March 31, 2025, with comparative information for 2024

| | 2025 | 2024 |
|---|-------------|------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Excess (deficiency) of revenues over expenses | \$ (18,802) | \$ 9,168 |
| Items not affecting cash: | | |
| Gain on disposal of capital assets | (51) | (82) |
| Amortization of capital assets | 2,635 | 2,399 |
| Amortization of deferred capital contributions | (116) | (116) |
| | (16,334) | 11,369 |
| Changes in non-cash operating working capital balances: | | |
| Accounts receivable | 41,763 | 37,722 |
| Prepaid expenses | 2,028 | (1,155) |
| Security deposits | 24 | (23) |
| Accounts payable and accrued liabilities | 4,901 | 18,193 |
| Deferred contributions | (8,440) | (36,598) |
| | 23,942 | 29,508 |
| Investing activities: | | |
| Purchases of capital assets | (16,106) | (26,083) |
| Proceeds on disposal of capital assets | 51 | - |
| Purchase of short-term investments | (14,971) | (61,296) |
| Maturities of short-term investments | 61,296 | 85,230 |
| | 30,270 | (2,149) |
| Financing activities: | | |
| Proceeds from long-term debt | 4,684 | 15,672 |
| Increase in cash | 58,896 | 43,031 |
| Cash, beginning of year | 357,055 | 314,024 |
| Cash, end of year | \$ 415,951 | \$ 357,055 |

See accompanying notes and schedules to financial the statements.

FIRST NATIONS HEALTH AUTHORITY

Notes to Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise stated)

Year ended March 31, 2025

1. Organization:

First Nations Health Authority ("FNHA" or the "Authority") was incorporated under the *Society Act* (British Columbia) on March 6, 2009 and is a not-for-profit organization for financial reporting purposes. FNHA is a non-taxable entity under the *Income Tax Act*. FNHA transitioned to the *Societies Act* during fiscal 2018.

FNHA is mandated by the Transformative Change Accord: First Nations Health Plan 2006, the Tripartite First Nations Health Plan 2007, the BC Tripartite Framework Agreement on First Nation Health Governance 2011, and resolutions at the annual Gathering Wisdom events.

FNHA has a broad mandate to improve health services for British Columbia ("BC") First Nations through collaboration and partnership with the Province of BC and the Government of Canada. First Nations Health Authority plans, designs, manages, and funds the delivery of First Nations health programs and services in British Columbia.

FNHA is part of a health governance structure that includes political representation and advocacy through the First Nations Health Council, and technical support and capacity development through the First Nations Health Directors Association. Collectively, this First Nations health governing structure works in partnership with BC First Nations to achieve a shared vision.

2. Economic dependence:

The operations of the Authority are dependent on continued funding from federal and provincial government departments.

3. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

(a) Financial instruments:

The Authority initially measures its financial assets and financial liabilities at fair value when the Authority becomes a party to the contractual provisions of the financial instrument. Subsequently, investments in equity instruments quoted in an active market are measured at fair value and all other financial instruments are measured at amortized cost. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Authority has not elected to carry its investments at fair value.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method.

FIRST NATIONS HEALTH AUTHORITY

Notes to Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise stated)

Year ended March 31, 2025

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest income or expense.

With respect to financial assets measured at amortized cost, the Authority recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment decreases and the decrease can be related to an event occurring after the impairment was recognized, the impairment loss is reversed to the extent of the impairment, not exceeding the initial carrying value.

(b) Short-term investments:

Investments consist of guaranteed investment certificates ("GICs") with an original term to maturity of one year.

(c) Capital assets:

Capital assets received as contributions are recognized at fair value. Capital assets acquired by FNHA are recorded at cost.

Amortization is provided on a straight-line basis over the estimated useful lives of the assets using the following rates:

| Asset | Rate |
|------------------------------------|----------------------------|
| Computer hardware and software | 3 years |
| Medical equipment | 8 years |
| Vehicles | 5 years |
| Furniture, fixtures, and equipment | 5 years |
| Leasehold improvements | Over the term of the lease |

Capital assets under construction are not amortized until the asset is available for productive use. Interest that is directly attributable to the construction of the asset is capitalized.

The carrying value of an item of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount is not recoverable and exceeds its fair value. No impairment losses have been identified by the Authority for the year ended March 31, 2025.

FIRST NATIONS HEALTH AUTHORITY

Notes to Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise stated)

Year ended March 31, 2025

3. Significant accounting policies (continued):

(d) Revenue recognition:

Contributions are recognized as revenue under the deferral method. Restricted operating contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest and miscellaneous income is recognized when earned and collection is reasonably assured.

(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 amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates.

(f) Employee benefits:

Defined contribution plan accounting is applied to multi-employer defined benefit plans and, accordingly, contributions are expensed when payable.

4. Short-term investments:

| | 2025 | 2024 |
|--|-----------|-----------|
| Guaranteed Investment Certificates ("GICs"), at amortized cost | \$ 14,971 | \$ 61,296 |

Available funds are invested in one year GICs with rates of return ranging from 4.30% to 5.65% (2024 - 2.58% to 5.65%). Interest earned on GICs was \$1,462 (2024 - \$4,017).

5. Capital assets:

| 2025 | Cost | Accumulated amortization | Net book value |
|-----------------------------------|------------|--------------------------|----------------|
| Computer hardware | \$ 10,116 | \$ 9,583 | \$ 533 |
| Computer software | 4,477 | 4,078 | 399 |
| Medical equipment | 5,119 | 3,174 | 1,945 |
| Vehicles | 5,465 | 3,728 | 1,737 |
| Leasehold improvements | 12,946 | 5,856 | 7,090 |
| Furniture, fixtures and equipment | 267 | 261 | 6 |
| Asset under construction | 72,148 | - | 72,148 |
| | \$ 110,538 | \$ 26,680 | \$ 83,858 |

FIRST NATIONS HEALTH AUTHORITY

Notes to Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise stated)

Year ended March 31, 2025

5. Capital assets (continued):

| 2024 | Cost | Accumulated amortization | Net book value |
|-----------------------------------|-----------|-----------------------------|-------------------|
| Computer hardware | \$ 9,812 | \$ 9,164 | \$ 648 |
| Computer software | 4,073 | 3,818 | 255 |
| Medical equipment | 4,926 | 2,816 | 2,110 |
| Vehicles | 5,039 | 3,343 | 1,696 |
| Leasehold improvements | 6,507 | 4,838 | 1,669 |
| Furniture, fixtures and equipment | 267 | 253 | 14 |
| Asset under construction | 63,995 | - | 63,995 |
| | \$ 94,619 | \$ 24,232 | \$ 70,387 |

In 2023, the asset under construction experienced a water ingress event causing damage. During the year, costs to repair of \$7,303 (2024 - nil) were incurred, and \$2,600 (2024 - nil) was reimbursed by insurance providers, with the net amount of \$4,703 recorded as an expense within Corporate Operations. The timing and amount of future cash flows of remediation costs and insurance reimbursement thereon, if any, cannot be reasonably estimated at the time the financial statements were prepared.

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$1,764 (2024 - \$1,456) relating to employee payroll deductions, workers' compensation insurance premiums, and health tax.

FIRST NATIONS HEALTH AUTHORITY

Notes to Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise stated)

Year ended March 31, 2025

7. Deferred contributions:

| | Federal Government | Province of British Columbia | FNIGC Health Survey | Donated Capital Assets | Other | Total 2025 |
|---|-----------------------|------------------------------------|---------------------------|------------------------------|----------|---------------|
| Deferred contributions, beginning of year | \$ 32,618 | \$ 108,261 | \$ 1,089 | \$ 657 | \$ 4,322 | \$ 146,947 |
| Contributions received | 11,655 | 152,130 | 780 | - | 4,326 | 168,891 |
| Contributions receivable | 23,286 | 76 | - | - | 40 | 23,402 |
| Less contributions payable | (128) | (951) | - | - | - | (1,079) |
| Less amounts recognized as revenue | (30,765) | (164,343) | (611) | (116) | (3,935) | (199,770) |
| Deferred contributions, end of year | \$ 36,666 | \$ 95,173 | \$ 1,258 | \$ 541 | \$ 4,753 | \$ 138,391 |

| | Federal Government | Province of British Columbia | FNIGC Health Survey | Donated Capital Assets | Other | Total 2024 |
|---|-----------------------|------------------------------------|---------------------------|------------------------------|----------|---------------|
| Deferred contributions, beginning of year | \$ 54,463 | \$ 124,812 | \$ 1,938 | \$ 773 | \$ 1,675 | \$ 183,661 |
| Contributions received | 33,683 | 95,097 | 771 | - | 1,744 | 131,295 |
| Contributions receivable | 15,023 | 27,511 | - | - | 1,928 | 44,462 |
| Less amounts recognized as revenue | (70,551) | (139,159) | (1,620) | (116) | (1,025) | (212,471) |
| Deferred contributions, end of year | \$ 32,618 | \$ 108,261 | \$ 1,089 | \$ 657 | \$ 4,322 | \$ 146,947 |

Deferred contributions represent:

- (a) Externally restricted contributions for which related expenses have not been incurred.
- (b) The unamortized amount of deferred capital contributions.

FIRST NATIONS HEALTH AUTHORITY

Notes to Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise stated)

Year ended March 31, 2025

8. Long-term debt:

The Authority entered into an agreement to partially finance the construction of an administration office building, through a secured non-revolving bank loan of up to \$91,100. This is a multi-draw construction facility which can comprise prime rate loans or term Canadian Overnight Repo Rate Average ("CORRA") loans. Prime rate loans bear interest at the bank's prime rate minus 0.50% per annum, which at March 31, 2025 was 4.45% (2024 - 6.70%). CORRA is determined two business days prior to the effective date and have a CORRA fee of 1.12% per annum. Interest rates on CORRA during the year were between 2.68% and 4.95%.

Upon completion of the office building, the construction facility will be repaid with a single drawdown term loan facility. The interest rate and amortization schedule will be determined at the time the term loan facility is drawn down.

As at March 31, 2025, \$53,973 (2024 - \$49,289) has been drawn on the construction facility and interest of \$2,030 (2024 - \$2,184) has been incurred. All interest incurred has been included in the cost of the asset under construction.

9. Invested in capital assets:

Net assets invested in capital assets is calculated as follows:

| | 2025 | 2024 |
|----------------------------------|-----------|-----------|
| Capital assets, end of the year | \$ 83,858 | \$ 70,387 |
| Portion funded by long-term debt | (53,973) | (49,289) |
| Deferred capital contributions | (541) | (657) |
| | \$ 29,344 | \$ 20,441 |

The deficiency of revenue over expenses is calculated as follows:

| | 2025 | 2024 |
|--|------------|------------|
| Amortization of deferred capital contributions | \$ 116 | \$ 116 |
| Amortization of capital assets | (2,635) | (2,399) |
| | \$ (2,519) | \$ (2,283) |

FIRST NATIONS HEALTH AUTHORITY

Notes to Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise stated)

Year ended March 31, 2025

10. Commitments:

The Authority leases premises and equipment with future minimum lease payments, exclusive of operating costs, for each of the next five fiscal years as follows:

| | | |
|------|----|-----------|
| 2026 | \$ | 5,690 |
| 2027 | | 3,014 |
| 2028 | | 1,744 |
| 2029 | | 505 |
| 2030 | | 165 |
| | | <hr/> |
| | | \$ 11,118 |

11. Financial risks:

The following are the key risks that the Authority is monitoring which may impact operating results and liquidity:

(a) Interest rate risk:

The Authority's short-term investments (note 4) and long-term debt (note 8) are exposed to interest rate risk as the value of the financial instruments will fluctuate due to changes in interest rates and the volatility of these rates. The final interest rate to be charged on the bank term loan is yet to be determined.

(b) Credit risk:

The Authority is exposed to credit risk in connection with its cash, short-term investments, accounts receivable, and security deposits.

The Authority manages its credit risk by depositing cash and investing in short-term instruments with a reputable commercial bank. Exposure to credit risk in accounts receivable is also reduced as the majority of amounts outstanding are due from governments.

(c) Liquidity risk:

Liquidity risk is the risk that the Authority will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Authority manages liquidity risk by maintaining adequate cash balances and by regularly monitoring and reviewing both actual and forecasted cash flows.

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

FIRST NATIONS HEALTH AUTHORITY

Notes to Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise stated)

Year ended March 31, 2025

12. Pension plan:

Effective January 1, 2013, FNHA and its employees were accepted as members and commenced contributing to the Municipal Pension Plan (the "Plan"), a jointly trusted pension plan. The Board of Trustees, representing the 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 defined benefit plan. Basic pension benefits provided are based on a formula. As at December 31, 2025, the Plan has approximately 257,000 (2024 - 241,000) active members and 129,000 (2024 - 124,000) retired members. Active members include approximately 1,057 (2024 - 980) contributors from FNHA at March 31, 2025.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan. The most recent valuation as at December 31, 2021 indicated a surplus of \$3.76 billion for basic pension benefits. The next valuation will be as at December 31, 2024 with results available in the fall of 2025. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan. The Authority paid \$8.9 million (2024 - \$7.83 million) for employer contributions to the Plan in fiscal 2024.

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, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

13. Internally restricted net assets:

Internally restricted net assets represent funding restricted by the Board for specific purposes related to transformational plans and initiatives, as follows:

| | 2025 | 2024 |
|---|--------|----------|
| Province of BC Internally Restricted: | | |
| Medical Service Plan Project Board | \$ 704 | \$ 2,037 |
| FNHA-Led Joint Project Board Surplus | - | 118 |
| Federal Government Internally Restricted: | | |
| Responding to Regional Priorities Funding | 8,056 | 4,261 |
| Opioid Wrap around Support Sites Funding | 5,217 | 3,002 |
| Mental Wellness Teams Funding | 4,521 | 4,702 |
| Childhood Compensation Funding | 2,698 | - |
| Public Health HR & HIV Programming Funding | 1,721 | - |
| Yukon & Inuit Treatment Centre Funding | 1,141 | 847 |
| Health Human Resources Data Capacity Funding | 764 | - |
| FNHA Impact Assessment Funding | 701 | 655 |
| STBBI and HIV Testing Funding | 165 | - |
| Climate Resilient Health Systems Initiative Funding | 134 | - |
| Carried forward | 25,822 | 15,622 |

FIRST NATIONS HEALTH AUTHORITY

Notes to Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise stated)

Year ended March 31, 2025

13. Internally restricted net assets (continued):

Internally restricted net assets represent funding restricted by the Board for specific purposes related to transformational plans and initiatives, as follows (continued):

| | 2025 | 2024 |
|---|------------|------------|
| Brought forward | 25,822 | 15,622 |
| FNHA Reserves: | | |
| First Nations Treatment Centre Reserve | 52,173 | 52,174 |
| Health Benefits Claims Reserve | 18,407 | 7,597 |
| Pre-Natal Escort & Traditional Healers | 16,528 | 18,526 |
| Regional Priorities Reserve | 7,500 | - |
| Community Capital Investment Reserve | 7,261 | 13,992 |
| Mental Health & Wellness - IRS Reserve | 6,600 | 11,000 |
| First Nations Led Primary Care Initiatives Reserve | 5,426 | 16,526 |
| Virtual Health DOD and SUPs Expansion Reserve | 5,183 | 5,290 |
| Social Determinants Reserve | 4,997 | 5,000 |
| Health Actions Reserve | 4,193 | 4,000 |
| Mental Wellness Interim Measures Funding | 2,748 | 5,290 |
| Integrated Primary Care & Mental Wellness Reserve | 2,727 | 3,660 |
| Gathering Wisdom Reserve | 2,700 | - |
| Regional Governance & Engagement Reserve | 2,500 | - |
| Information Security Reserve | 2,093 | - |
| Capacity Development in Community Reserve | 1,691 | 2,500 |
| Bridging & Transitioning Human Resources Capacity Reserve | 1,548 | 2,781 |
| Digital Health Strategy Reserve | 1,273 | - |
| Capital Asset Replacement Reserve | 1,232 | 1,412 |
| FNHA Information Technology & Business Project Reserve | 1,213 | 1,963 |
| Digital Enablement Strategy Reserve | 1,168 | 1,657 |
| Canada's Tobacco Strategy Funding | 1,106 | 1,490 |
| Health Funding Agreement Initiatives Reserve | 1,086 | 1,372 |
| Medical Transportation Transformation Reserve | 864 | 1,919 |
| Community Health Planning Reserve | 829 | 1,049 |
| Data Strategy Reserve | 810 | - |
| Governance & Engagement Reserve | 726 | 800 |
| Prescription Drug Abuse Funding | 701 | 973 |
| Oral Health Reserve | 575 | 1,200 |
| Palliative Care Funding | 325 | 1,619 |
| Health Benefits - Shingrix Vaccine | 16 | 116 |
| Mental Health & Wellness Reserve | - | 2,412 |
| Metro Vancouver Office Project Unfunded Cost Reserve | - | 1,516 |
| Emergency Management Funding | - | 1,274 |
| Climate Change & Health Adaptation | - | 267 |
| | \$ 182,021 | \$ 184,997 |

FIRST NATIONS HEALTH AUTHORITY

Notes to Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise stated)

Year ended March 31, 2025

14. Remuneration of employees and directors:

For the fiscal year ended March 31, 2025, FNHA paid total remuneration of \$81,986 (2024 - \$68,870) to employees for services, each of whom received total annual remuneration of \$75 or greater. Remuneration paid to directors are as follows:

| Position | Retainer | Meeting fees | 2025 |
|---------------------|----------|--------------|--------|
| Board Chair | \$ 30 | \$ 42 | \$ 72 |
| Vice-Chair | 13 | 21 | 34 |
| Secretary/Treasurer | 14 | 29 | 43 |
| Member | 8 | 21 | 29 |
| Member | 8 | 14 | 22 |
| Member | 8 | 11 | 19 |
| Member | 8 | 9 | 17 |
| Member | 5 | 11 | 16 |
| Member | 5 | 9 | 14 |
| Member | 2 | - | 2 |
| | \$ 101 | \$ 167 | \$ 268 |

| Position | Retainer | Meeting fees | 2024 |
|---------------------|----------|--------------|--------|
| Board Chair | \$ 30 | \$ 64 | \$ 94 |
| Vice-Chair | 3 | 5 | 8 |
| Secretary/Treasurer | 10 | 7 | 17 |
| Member | 8 | 10 | 18 |
| Member | 7 | 13 | 20 |
| Member | 6 | 7 | 13 |
| Member | 3 | 5 | 8 |
| Member | 3 | 4 | 7 |
| Member | 3 | 3 | 6 |
| Member | 3 | 2 | 5 |
| Member | 2 | 3 | 5 |
| Member | 1 | - | 1 |
| | \$ 79 | \$ 123 | \$ 202 |

FIRST NATIONS HEALTH AUTHORITY

Notes to Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise stated)

Year ended March 31, 2025

15. Related parties:

(a) First Nations Health Foundation:

The First Nations Health Foundation (the "Foundation") was established to raise funds to support the FNHA in carrying out its services and programs. The Foundation is a separate legal entity, incorporated under the *Societies Act* (British Columbia) on July 21, 2022. The Foundation is a registered charity under the provisions of the *Income Tax Act* of Canada. FNHA has responsibility for appointing the Board of Directors of the Foundation and, as a result, controls the Foundation.

The Foundation is not consolidated in these financial statements. The financial summary of the Foundation as at March 31 and the year then ended are as follows:

Financial Position:

| | 2025 | 2024 |
|-------------------|--------|------|
| Total assets | \$ 220 | \$ - |
| Total liabilities | (55) | - |
| Total net assets | \$ 165 | \$ - |

Results of Operations:

| | 2025 | 2024 |
|---------------------------------|--------|------|
| Total revenues | \$ 504 | \$ - |
| Total expenses | (339) | - |
| Excess of revenue over expenses | \$ 165 | \$ - |

Cash Flows:

| | 2025 | 2024 |
|--------------------------------------|--------|------|
| Cash flows from Operating activities | \$ 209 | \$ - |
| Cash flows from Investing activities | - | - |
| Cash flows from Financing activities | - | - |
| Increase in cash | \$ 209 | \$ - |

FNHA contributed \$435 to the Foundation during the year to support its operations. The Foundation made no contributions to the FNHA during the year.

FIRST NATIONS HEALTH AUTHORITY

Notes to Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise stated)

Year ended March 31, 2025

15. Related parties (continued):

(b) First Nations Health Directors Association:

The First Nations Health Directors Association (the “FNHDA”) is a separate incorporated entity under the *Societies Act* (British Columbia). The FNHDA supports education, knowledge transfer, professional development and best practices for health directors and managers in First Nations communities.

FNHA has an economic interest in the FNHDA as it provides the funding, facilities, equipment and administrative services required by the FNHDA to carry out its operations as required by a November 2012 Memorandum of Understanding. Funding allocated to the FNHDA is included in the FNHA annual budget, and the FNHA pays all operating expenses on behalf of the FNHDA. The FNHDA operating expenses are reported throughout these financial statements. See Schedules 1 through 3 for further details for the sources and uses of funding provided to FNHDA.

(c) First Nations Health Council:

The First Nations Health Council (the “FNHC”) is a provincial-level political and advocacy organization that represents - and is accountable to - First Nations in British Columbia.

FNHA has an economic interest in the FNHC as it provides the funding and facilities required by the FNHC to carry out its operations. Funding allocated to the FNHC is included in the FNHA annual budget, and the FNHA pays all operating expenses on behalf of the FNHC. The FNHC operating expenses are reported throughout these financial statements. See Schedules 1 through 3 for further details for the sources and uses of funding provided to FNHC.

FIRST NATIONS HEALTH AUTHORITY

Schedule of Revenues and Expenses by Category of Net Assets
(Expressed in thousands of dollars)

Schedule 1

Year ended March 31, 2025, with comparative information for 2024

| | 2025 | | | | 2024 | | | |
|--|---------------------------------------|--|------------|-------------|---------------------------------------|--|------------|-------------|
| | Unrestricted Federal Government | Unrestricted Province of British Columbia | Restricted | Total | Unrestricted Federal Government | Unrestricted Province of British Columbia | Restricted | Total |
| Revenue: | | | | | | | | |
| Federal Government | \$ 719,604 | \$ - | \$ 30,765 | \$ 750,369 | \$ 686,364 | \$ - | \$ 50,324 | \$ 736,688 |
| Province of British Columbia | - | 2,102 | 162,563 | 164,665 | - | 4,769 | 139,159 | 143,928 |
| Interest and miscellaneous income | 29,137 | - | 3,607 | 32,744 | 35,304 | - | 993 | 36,297 |
| Health Authorities | 952 | - | 444 | 1,396 | 712 | - | 148 | 860 |
| First Nations Information Governance Centre | - | - | 611 | 611 | - | - | 1,620 | 1,620 |
| | 749,693 | 2,102 | 197,990 | 949,785 | 722,380 | 4,769 | 192,244 | 919,393 |
| Expenses: | | | | | | | | |
| Corporate operations | 69,108 | 21 | 8,482 | 77,611 | 63,648 | 46 | 3,796 | 67,490 |
| Governance and Community Engagement: | | | | | | | | |
| First Nations Health Council | 2,362 | - | 399 | 2,761 | 2,230 | - | - | 2,230 |
| First Nations Health Directors Association | 2,741 | - | - | 2,741 | 2,604 | - | - | 2,604 |
| First Nations Engagement | 5,873 | - | 676 | 6,549 | 6,619 | 14 | 2 | 6,635 |
| | 10,976 | - | 1,075 | 12,051 | 11,453 | 14 | 2 | 11,469 |
| Program services: | | | | | | | | |
| Health benefits | 277,368 | - | 313 | 277,681 | 263,464 | - | 283 | 263,747 |
| Direct community services funding | 279,014 | - | 98,007 | 377,021 | 261,726 | 5,977 | 101,149 | 368,852 |
| Health services and Programs | 118,753 | 2,335 | 89,441 | 210,529 | 92,314 | 5,128 | 86,791 | 184,233 |
| Regional Engagement | 12,763 | - | 931 | 13,694 | 11,837 | 1,810 | 787 | 14,434 |
| | 687,898 | 2,335 | 188,692 | 878,925 | 629,341 | 12,915 | 189,010 | 831,266 |
| | 767,982 | 2,356 | 198,249 | 968,587 | 704,442 | 12,975 | 192,808 | 910,225 |
| Excess (deficiency) of revenue over expenses | (18,289) | (254) | (259) | (18,802) | 17,938 | (8,206) | (564) | 9,168 |
| Capital assets purchased | (15,001) | - | (1,105) | (16,106) | (26,089) | - | (75) | (26,164) |
| Total | \$ (33,290) | \$ (254) | \$ (1,364) | \$ (34,908) | \$ (8,151) | \$ (8,206) | \$ (639) | \$ (16,996) |

FIRST NATIONS HEALTH AUTHORITY

Schedule of Expenses by Program
(Expressed in thousands of dollars)

Schedule 2

Year ended March 31, 2025, with comparative information for 2024

| | Contribution agreements | Health benefits | Salaries and benefits | General administrative | Professional fees | Community meetings and travel | Travel and meetings | Honoraria | Total |
|--|----------------------------|--------------------|--------------------------|---------------------------|----------------------|-------------------------------------|------------------------|---------------|-------------------|
| 2025 | | | | | | | | | |
| Expenses: | | | | | | | | | |
| Corporate operations | \$ 1,664 | \$ - | \$ 35,818 | \$ 28,877 | \$ 9,814 | \$ 133 | \$ 1,027 | \$ 278 | \$ 77,611 |
| Governance and First Nations Engagement: | | | | | | | | | |
| First Nations Health Council | - | - | 1,498 | 36 | 319 | 18 | 331 | 559 | 2,761 |
| First Nations Health Directors Association | - | - | 1,311 | 50 | 745 | 289 | 211 | 135 | 2,741 |
| First Nations Engagement | 1,335 | - | 1,856 | 265 | 432 | 2,090 | 571 | - | 6,549 |
| | 1,335 | - | 4,665 | 351 | 1,496 | 2,397 | 1,113 | 694 | 12,051 |
| Program services: | | | | | | | | | |
| Health benefits | 3,413 | 257,439 | 9,511 | 893 | 6,025 | 56 | 344 | - | 277,681 |
| Direct community services funding | 377,021 | - | - | - | - | - | - | - | 377,021 |
| Health services and Programs | 85,497 | - | 73,377 | 7,492 | 36,136 | 3,424 | 4,603 | - | 210,529 |
| Regional Operations | - | - | 11,804 | 387 | 262 | 526 | 715 | - | 13,694 |
| | 465,931 | 257,439 | 94,692 | 8,772 | 42,423 | 4,006 | 5,662 | - | 878,925 |
| Total expenses | \$ 468,930 | \$ 257,439 | \$ 135,175 | \$ 38,000 | \$ 53,733 | \$ 6,536 | \$ 7,802 | \$ 972 | \$ 968,587 |
| 2024 | | | | | | | | | |
| Expenses: | | | | | | | | | |
| Corporate operations | \$ 23 | \$ - | \$ 30,959 | \$ 23,989 | \$ 8,489 | \$ 2,833 | \$ 993 | \$ 204 | \$ 67,490 |
| Governance and First Nations Engagement: | | | | | | | | | |
| First Nations Health Council | - | - | 1,220 | 28 | 131 | 20 | 288 | 543 | 2,230 |
| First Nations Health Directors Association | - | - | 1,338 | 118 | 301 | 414 | 290 | 143 | 2,604 |
| First Nations Engagement | 284 | - | 1,879 | 658 | 387 | 2,048 | 1,379 | - | 6,635 |
| | 284 | - | 4,437 | 804 | 819 | 2,482 | 1,957 | 686 | 11,469 |
| Program services: | | | | | | | | | |
| Health benefits | 3,301 | 244,544 | 8,637 | 862 | 6,023 | 64 | 316 | - | 263,747 |
| Direct community services funding | 368,852 | - | - | - | - | - | - | - | 368,852 |
| Health services and Programs | 64,519 | 712 | 62,176 | 7,096 | 42,070 | 3,087 | 4,573 | - | 184,233 |
| Regional Operations | - | - | 11,726 | 468 | 1,032 | 364 | 844 | - | 14,434 |
| | 436,672 | 245,256 | 82,539 | 8,426 | 49,125 | 3,515 | 5,733 | - | 831,266 |
| Total expenses | \$ 436,979 | \$ 245,256 | \$ 117,935 | \$ 33,219 | \$ 58,433 | \$ 8,830 | \$ 8,683 | \$ 890 | \$ 910,225 |

FIRST NATIONS HEALTH AUTHORITY

Expenses by Region
(Expressed in thousands of dollars)

Schedule 3

Year ended March 31, 2025, with comparative information for 2024

| | North | Interior | Vancouver Island | Fraser | Vancouver Coastal | Provincial | 2025 Total ¹ |
|-----------------------------------|-------------------|-------------------|---------------------|------------------|----------------------|-------------------|----------------------------|
| Direct community services funding | \$ 111,997 | \$ 89,496 | \$ 94,708 | \$ 32,496 | \$ 35,513 | \$ 12,811 | \$ 377,021 |
| Health services and programs | 34,716 | 27,528 | 39,518 | 11,026 | 17,279 | 80,462 | 210,529 |
| Health benefits ¹ | 69,877 | 43,675 | 56,192 | 15,847 | 30,008 | 62,082 | 277,681 |
| First Nations engagement | 2,225 | 1,779 | 1,151 | 422 | 863 | 109 | 6,549 |
| First National Health Council | 112 | 76 | 114 | 113 | 72 | 2,274 | 2,761 |
| First Nation Health Directors | 32 | 45 | 49 | 17 | 9 | 2,589 | 2,741 |
| Regional operations | 3,074 | 3,044 | 2,584 | 2,571 | 2,396 | 25 | 13,694 |
| Corporate operations | 703 | 572 | 310 | 120 | 845 | 75,061 | 77,611 |
| Total | \$ 222,736 | \$ 166,215 | \$ 194,626 | \$ 62,612 | \$ 86,985 | \$ 235,413 | \$ 968,587 |

| | North | Interior | Vancouver Island | Fraser | Vancouver Coastal | Provincial | 2024 Total ¹ |
|-----------------------------------|-------------------|-------------------|---------------------|------------------|----------------------|-------------------|----------------------------|
| Direct community services funding | \$ 103,446 | \$ 81,641 | \$ 79,527 | \$ 44,865 | \$ 37,685 | \$ 21,688 | \$ 368,852 |
| Health services and programs | 31,529 | 21,953 | 26,649 | 8,634 | 9,408 | 86,060 | 184,233 |
| Health benefits ¹ | 65,891 | 42,775 | 50,235 | 15,065 | 28,738 | 61,043 | 263,747 |
| First Nations engagement | 2,456 | 943 | 1,148 | 418 | 1,345 | 325 | 6,635 |
| First National Health Council | 137 | 92 | 103 | 93 | 69 | 1,736 | 2,230 |
| First Nation Health Directors | 71 | 65 | 50 | 24 | 12 | 2,382 | 2,604 |
| Regional operations | 3,254 | 3,245 | 2,366 | 2,745 | 2,811 | 13 | 14,434 |
| Corporate operations | 770 | 544 | 320 | 74 | 632 | 65,150 | 67,490 |
| Total | \$ 207,554 | \$ 151,258 | \$ 160,398 | \$ 71,918 | \$ 80,700 | \$ 238,397 | \$ 910,225 |

¹ Health Benefits regional costs represent direct payments to providers - for vision care, dental services, patient travel, mental health services, and medical supplies and equipment - based on their patient's nation location and not where the services were provided.