

Sechelt Hospital Foundation Society

Financial Statements

December 31, 2025

Sechelt Hospital Foundation Society
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December 31, 2025

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Crowe MacKay LLP

PO Box 1610
200 – 5710 Teredo Street
Sechelt, BC V0N 3A0

Main +1(604) 697-9271
Fax +1(604) 697-9250

www.crowemackay.ca

Independent Auditor's Report

To the Members of Sechelt Hospital Foundation Society

Opinion

We have audited the financial statements of Sechelt Hospital Foundation Society (the "Society"), which comprise the statement of financial position as at December 31, 2025, and the statement of operations and changes in fund balances and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 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 report. We are independent of the Society 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Independent Auditor's Report, continued

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 these 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 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 Society'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 Society'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied by Sechelt Hospital Foundation Society 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 previous year.

Sechelt, Canada
May 19, 2026

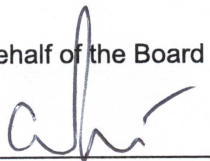
Crowe MacKay LLP
Chartered Professional Accountants

Sechelt Hospital Foundation Society
Statement of Financial Position

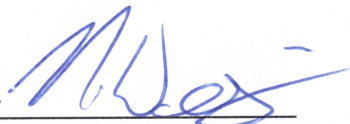
December 31,	Unrestricted Fund	Restricted Fund	2025	2024
Assets				
Current				
Cash	\$ 4,870,280	\$ -	\$ 4,870,280	\$ 4,399,445
Accounts receivable	299	-	299	18,300
Sales taxes receivable	3,564	-	3,564	2,364
Restricted cash (Note 3)	-	1,783,169	1,783,169	1,226,234
Prepaid expenses	6,741	-	6,741	5,541
Interfund receivable (Note 8)	-	2,255	-	-
	4,880,884	1,785,424	6,664,053	5,651,884
Investments (Note 4)	2,323,523	5,949,370	8,272,893	2,647,536
Art collection (Note 5)	241,689	-	241,689	187,459
	\$ 7,446,096	\$ 7,734,794	\$ 15,178,635	\$ 8,486,879
Liabilities				
Current				
Accounts payable and accrued liabilities	\$ 72,903	\$ -	\$ 72,903	\$ 48,158
Interfund payable (Note 8)	2,255	-	-	-
	75,158	-	72,903	48,158
Fund balances				
Externally restricted (Note 6)	-	7,734,794	7,734,794	1,973,654
Internally restricted (Note 7)	3,357,054	-	3,357,054	2,959,976
Unrestricted	4,013,884	-	4,013,884	3,505,091
	7,370,938	7,734,794	15,105,732	8,438,721
	\$ 7,446,096	\$ 7,734,794	\$ 15,178,635	\$ 8,486,879

Approved on behalf of the Board

Director



Director



Sechelt Hospital Foundation Society
Statement of Operations

For the year ended December 31	Unrestricted Fund	Restricted Fund	2025	2024
Revenues				
Donations - unrestricted	\$ 1,223,616	\$ -	\$ 1,223,616	\$ 568,214
Donations - restricted	-	5,924,891	5,924,891	1,233,701
Special events	40,483	-	40,483	12,475
Investment income (Note 4)	369,681	50,721	420,402	644,960
	1,633,780	5,975,612	7,609,392	2,459,350
Expenditures				
Operating				
Accounting services	20,450	-	20,450	18,033
Governance and board development	3,258	-	3,258	4,216
Insurance	4,645	-	4,645	7,636
Office and administration	8,928	-	8,928	14,340
Professional fees	84,366	-	84,366	28,283
Wages and benefits	36,952	-	36,952	31,432
	158,599	-	158,599	103,940
Fund development costs				
Community engagement and donor stewardship	67,483	-	67,483	49,481
Staff development education	6,325	-	6,325	4,530
Wages and benefits	241,006	-	241,006	208,534
	314,814	-	314,814	262,545
Programs				
Art Program (Note 5)	1,423	-	1,423	3,249
Education funding	621	41,989	42,610	50,085
Foundation house	-	-	-	256
Special events costs	23,202	-	23,202	9,950
MedTalks (net of sponsorships)	(3,556)	-	(3,556)	1,882
Wages and benefits	53,890	-	53,890	39,250
	75,580	41,989	117,569	104,672
Contributions				
Contributions to Vancouver Coastal Health (Note 11)	305,091	711,867	1,016,958	3,297,948
	854,084	753,856	1,607,940	3,769,105
Excess (deficiency) of revenues over expenditures before other items	779,696	5,221,756	6,001,452	(1,309,755)

Sechelt Hospital Foundation Society
Statement of Operations

For the year ended December 31	Unrestricted Fund	Restricted Fund	2025	2024
Other income (loss)				
Gain (loss) on sale of art collection items	-	-	-	(11,350)
Investments fair value adjustments	126,175	539,384	665,559	152,411
	126,175	539,384	665,559	141,061
Excess (deficit) of revenues over expenditures	\$ 905,871	\$ 5,761,140	\$ 6,667,011	\$ (1,168,694)

Sechelt Hospital Foundation Society
Statement of Changes in Fund Balances

	Unrestricted Fund	Restricted Fund	2025	2024
For the year ended December 31				
Balance, beginning of year	\$ 6,465,067	\$ 1,973,654	\$ 8,438,721	\$ 9,607,415
Excess (deficit) of revenues over expenditures	905,871	5,761,140	6,667,011	(1,168,694)
Balance, ending of year	\$ 7,370,938	\$ 7,734,794	\$ 15,105,732	\$ 8,438,721

Sechelt Hospital Foundation Society
Statement of Cash Flows

For the year ended December 31,	Unrestricted Fund	Restricted Fund	2025	2024
Operating activities				
Excess of revenues over expenditures	\$ 905,871	\$ 5,761,140	\$ 6,667,011	\$ (1,168,694)
Adjustments for				
Loss on sale of art collection item	-	-	-	11,350
Fair value adjustment on investments	(126,175)	(539,384)	(665,559)	(152,411)
In-kind contributions to the art collection	(54,230)	-	(54,230)	(4,660)
In-kind contribution of stock donations	(366,096)	(4,740,000)	(5,106,096)	(314,225)
Gain on sale of investments	(123,091)	(36,675)	(159,766)	(191,793)
	(669,592)	(5,316,059)	(5,985,651)	(651,739)
	236,279	445,081	681,360	(1,820,433)
Change in non-cash working capital items				
Accounts receivable	18,001	-	18,001	(14,418)
Prepaid expenses	(1,200)	-	(1,200)	(130)
Accounts payable and accrued liabilities	24,745	-	24,745	1,406
Sales taxes receivable	(1,200)	-	(1,200)	(1,141)
Interfund receivable/payable	(125,900)	125,900	-	-
	150,725	570,981	721,706	(1,834,716)
Investing activities				
Purchases of investments	(180,007)	(54,161)	(234,168)	(455,711)
Proceeds on sale of investments	500,117	40,115	540,232	714,860
	320,110	(14,046)	306,064	259,149
Financing activities				
Proceeds from sale of art collection	-	-	-	1,840
	-	-	-	1,840
Increase (decrease) in cash	470,835	556,935	1,027,770	(1,573,727)
Cash, beginning of year	4,399,445	1,226,234	5,625,679	7,199,406
Cash, end of year	\$ 4,870,280	\$ 1,783,169	\$ 6,653,449	\$ 5,625,679
Cash consists of:				
Cash	\$ 4,870,280	\$ -	\$ 4,870,280	\$ 4,399,445
Restricted cash	-	1,783,169	1,783,169	1,226,234
	\$ 4,870,280	\$ 1,783,169	\$ 6,653,449	\$ 5,625,679

Sechelt Hospital Foundation Society

Notes to the Financial Statements

December 31, 2025

1. Incorporation and purpose

Sechelt Hospital Foundation Society (the "Society") was incorporated on March 18, 1995 under the laws of the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

The purpose of the Society is to:

- (a) raise funds from the community to enhance the scope and sustain excellence of health care services primarily at Sechelt Hospital and secondarily at other locations across the Sunshine Coast Local Health Area (LHA 46);
- (b) fund capital facilities and equipment, special projects, medical and scientific research and educational activities to meet the needs of our community, aligned where possible with the policies, programs, and priorities of Vancouver Coastal Health and the Sechelt Hospital;
- (c) receive donations, stocks, bonds, gifts and property; hold and/or invest donations, property and proceeds from bequests; administer funds, trusts and endowments; and distribute funds and endowment proceeds in support of the activities above.

The Society raises funds to support the highest quality of health care for the Lower Sunshine Coast for Sechelt/shishálh Hospital, Emergency Department, Medical Imaging, Lab Services, Home Care and Palliative Care Services, Acute and Critical Care, Ambulatory Care, Hospital Surgical Suites, Public and Community Health Services and Mental Health and Substance Use Services.

As at December 31, 2025 the Society's restricted fund and unrestricted fund had net assets of \$7,734,794 (2024 - \$1,973,654) and \$7,370,917 (2024 - \$6,465,067) and an excess(deficit) of revenues over expenditures of \$5,761,140 (2024 - (\$786,717)) and \$905,871 (2024 - (\$381,977)) respectively.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows.

(a) Basis of accounting

The Society maintains its accounts in accordance with the principles of fund accounting and uses the restricted fund method of accounting for contributions.

The Unrestricted Fund accounts for the Society's unspecified donations, fundraising, membership activities and expenses related to the Society's general operations.

The Restricted Fund accounts for the receipt and distributions of specific donations and bequests of the Society.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and deposits maturing within 90 days of the original date of acquisition.

Sechelt Hospital Foundation Society
Notes to the Financial Statements

December 31, 2025

2. Significant accounting policies, continued

(c) Financial instruments

Initial measurement

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Financial assets or liabilities originated or exchanged in related party transactions except for those that involve parties whose sole relationship with the Society is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If the instrument does, the cost is determined using the instruments undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise cost is determined using the consideration transferred or received by the Society in the transaction.

Transactions, with parties whose sole relationship with the Society is in the capacity of management, are accounted for as arm's length transactions.

Subsequent measurement

The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in debt instruments, equity instruments and forward exchange contracts that are quoted in an active market, which are measured at fair value without any adjustment for transaction costs. Changes in fair value are recognized in net income in the period in which they occur.

Financial assets measured at cost or amortized cost include cash, restricted cash and accounts receivable.

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

Financial assets measured at fair value include investments, which are quoted in an active market.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction cost for financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument and recognized in income over the life of the instrument using the straight-line method.

Sechelt Hospital Foundation Society
Notes to the Financial Statements

December 31, 2025

2. Significant accounting policies, continued

Impairment

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

(d) Intangible assets - cloud computing arrangements

The Society applies the simplification method to expenditures in a cloud computing arrangement that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements. Under this method, expenditures are treated as a supply of services and recognized as an expense when the Society receives the service. Expenditures related to implementation activities are expensed as incurred.

(e) Revenue recognition

The Society follows the restricted fund method of accounting for contributions. Restricted and unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable, if the amounts to be received can be reasonably estimated and collection is reasonably assured.

Contributed tangible capital assets, artwork or investments are recorded at fair market value at the time of receipt. Interest income is recognized on an accrual basis. Dividend income is recognized when received.

(f) Contributed services

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

A substantial number of volunteers contribute a significant amount of time to the Society each year. Because of the difficulty in determining their fair values, these contributed services are not recognized in the financial statements.

(g) Art collection

Art collection is recorded on the statement of financial position at cost and is not amortized. For items contributed as part of the art collection, cost is deemed to be fair value at the date of contribution plus all costs directly attributable to the acquisition of the art collection items. Fair value is estimated using appraisal values.

Sechelt Hospital Foundation Society
Notes to the Financial Statements

December 31, 2025

2. Significant accounting policies, continued

(h) **Income taxes**

The Society is exempt from income taxes under section 149 of the Income Tax Act.

(i) **General and administrative expenses**

All expenses related to general management, marketing and administrative activities, are expensed in the period in which they are incurred. General and administration expenses are included in the unrestricted fund and not allocated to the restricted fund.

(j) **Measurement uncertainty**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 balance sheet date and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

3. Restricted cash

Restricted cash is externally restricted as follows:

	2025	2024
Gaming account	\$ 13,914	\$ 130
Donor designated	1,769,255	1,226,104
	\$ 1,783,169	\$ 1,226,234

4. Investments

The Society's portfolio investments are managed by an external investment manager in accordance with the Society's investment policy.

	2025	2024
Investments are held at fair market value and comprised of the following:		
Fixed Income	\$ 1,240,259	\$ 1,194,520
Equity	7,032,634	1,453,016
	8,272,893	2,647,536

Sechelt Hospital Foundation Society
Notes to the Financial Statements

December 31, 2025

4. Investments, continued

	2025	2024
Investment income (loss) is comprised of the following:		
Realized portfolio gains	159,766	191,793
Interest income	246,047	438,223
Management fees	(19,730)	(17,895)
Dividend income	34,319	32,839
	\$ 420,402	\$ 644,960

5. Art collection

In January of 2018 the Society established The Hospital Art Program which includes a permanent collection of donated artwork to enhance the Sechelt Hospital's healing environments. The collection comprises paintings, drawings, photography, prints and other visual art materials. The art collection is held for the perpetual benefit of the Sunshine Coast and its citizens.

All art included in the collection is donated to the Society and accepted upon the recommendation of the Art Program Committee. All art contributions as of 2025 are appraised by an independent appraiser and the donation is recorded at the appraised amount. Artwork that was not previously appraised is recorded at cost which equals nil.

During the year ended December 31, 2025 the Society had disposals for proceeds of \$nil (2024 - \$1,840). The proceeds are used to help offset the administration, installation and maintenance costs of The Art Program.

The Society spent \$1,423 (2024 - \$3,249) on the administration, installation and maintenance of The Art Program for the year.

Sechelt Hospital Foundation Society
Notes to the Financial Statements

December 31, 2025

6. Externally restricted net assets (Donor specified)

	2025	2024
	\$ -	\$ -
Ambulatory Care Unit	32,872	37,429
Emergency Department	18,437	11,296
Home and Palliative care	11,464	21,373
Long-term Care	66,407	15,056
Maternity	13,330	18,591
Medical Imaging Equipment	1,077,825	616,893
Mental Health	6,469,311	1,221,229
Physician Engagement	-	10,000
Rehabilitation	1,800	1,800
Staff Education Fund	22,424	19,987
Cancer	2,100	-
Surgical Needs	18,824	-
	\$ 7,734,794	\$ 1,973,654

7. Internally restricted net assets

	2025	2024
Capital Campaign Project	\$ 2,330,474	\$ 2,308,503
Emergency Room Ventilator	-	65,000
Lab Renovation Project	13,696	13,695
Lab Services - Centrifuge	-	21,000
Maternity	6,145	6,145
Mental Health	500,000	500,000
Mobility and Rehabilitation	-	25,000
Medical Equipment	410,562	20,633
Patient Rooms - TV/Internet	96,177	-
	\$ 3,357,054	\$ 2,959,976

8. Interfund balances

Interfund amounts receivable and payable are non-interest bearing and have no set terms of repayment

9. Remuneration disclosure under Societies Act (BC)

Total remuneration for the year, including benefits, for the Society's Executive Director was \$184,762 (2024 - \$157,161). Total remuneration, including benefits for the other part time employees of the Society totalled \$147,086 (2024 - \$122,055).

Sechelt Hospital Foundation Society

Notes to the Financial Statements

December 31, 2025

10. Contributed Services

Volunteers contribute a significant amount of time to assist the Society in fulfilling its mandate and supporting its programs. In 2025, volunteers committed 1,097 hours to the Society (2024 – 1,845). Contributed services are not reflected in these financial statements because of the difficulty determining their fair value.

11. Transactions with Vancouver Coastal Health

During the year, the Society made contributions of \$1,016,958 (2024 - \$3,297,948) to Vancouver Coastal Health. These contributions were for the Sechelt Hospital's state-of-the-art medical equipment and facility renovations, including:

- Medical Imaging Equipment - Digital Mammography and Echocardiography Ultrasound Machines
- Medical Equipment - Hemodialysis Unit Chairs (6), Bladder Scanners & Wound Care Ultrasound and Cameras
- Surgical Services - Endoscopy Beamer and Post Anesthesia monitors

The Society has internally committed to an additional \$1.4 million (2024 - \$2.9 million) to support funding requests from Vancouver Coastal Health, to be fulfilled and invoiced in 2026 depending on supply chain.

The Society also receives certain administrative services from Vancouver Coastal Health, including the use of payroll and benefit administration, housekeeping and information technology support.

Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

12. Pension plan

The Society and its employees contribute to the Municipal Pension Plan. The Plan is a multi-employer defined benefit pension plan. As sufficient information is not available to account for the Society's participation on a defined benefit basis the Society applies defined contribution accounting to the Plan.

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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024 indicated a \$2,675 million surplus for basic pension benefits on a going concern basis.

Sechelt Hospital Foundation Society
Notes to the Financial Statements

December 31, 2025

The next valuation for the Municipal Pension Plan will be as at December 31, 2027, with results available in 2028.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting).

13. Financial instruments

(a) Credit risk

The Society's investments in cash held in bank, income funds and equities are subject to credit risk. The maximum exposure to credit risk on these instruments is their carrying value. The Society manages the risk by retaining professional investment counsellors who act in accordance with the Society's investment policies. Credit risk related to cash is minimized by dealing with financial institutions with strong credit ratings and deposit guarantees. In the opinion of management the society's credit risk is low.

Other credit risk can arise from holding receivables which are generally not material and as such the credit risk is minimal.

The Society is exposed to credit risk to the extent that substantially all cash and restricted cash are held at one financial institution. The financial institution is a federal Credit union and as such, the deposits held by the Credit Union are insured by the Canadian Deposit Insurance Corporation..

(b) Market 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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The company is exposed mainly to interest rate risk and other price risk through the investments.

(i) Interest rate risk

The Society's earnings are exposed to the interest rate risk on interest on investments and cash accounts that arises from fluctuations in interest rates and the degree of volatility of these rates. The Society does not use derivative instruments to reduce its exposure to interest rate risk. The Society manages this risk by using professional portfolio managers and maintaining a diversified portfolio. In opinion of management the society's exposure to interest rate risk is low.

Sechelt Hospital Foundation Society
Notes to the Financial Statements

December 31, 2025

(ii) Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk, whether those changes are caused by factors specific to the individual financial instrument or issuer, or factors affecting all similar financial instruments or issuers. The Society's marketable securities expose the entity to price risks as these instruments are subject to price changes in an open market for a variety of reasons including investor sentiment and expectations, changes in market rates of interest, general economic indicators and restrictions of credit markets.

The Society has taken the following measures to manage its market risk: Investment activities are performed by a well-established Canadian Investment Counselling Firm which manages the investments on a discretionary basis. Risk and volatility are managed through diversification of investment with a mix of Fixed Income and Equities using sophisticated quantitative analysis. This quantitative analysis uses signals to aid the Investment Counselling Firm in placing the portfolio in areas where risk vs return is optimized.