Financial Statements
(Expressed in thousands of dollars)

FIRST NATIONS HEALTH AUTHORITY

And Independent Auditor's Report thereon

Year ended March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of 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, 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 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, 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 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.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
June 19, 2026

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FIRST NATIONS HEALTH AUTHORITY

Statement of Financial Position
(Expressed in thousands of dollars)

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash	$ 389,568	$ 415,951
Investments at amortized cost (note 4)	-	14,971
Accounts receivable	11,266	25,778
Prepaid expenses	38,040	43,030
	438,874	499,730
Security deposits	302	231
Investments at amortized cost (note 4)	15,636	-
Capital assets (note 5)	90,299	83,858
	$ 545,111	$ 583,819
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	$ 137,706	$ 164,548
Deferred contributions (note 7)	104,299	138,391
	242,005	302,939
Long-term debt (note 8)	61,920	53,973
	303,925	356,912
Net Assets		
Invested in capital assets (notes 9)	27,954	29,344
Internally restricted (note 13)	162,895	182,021
Unrestricted	50,337	15,542
	241,186	226,907
Commitments (note 10)		
Economic dependence (note 2)		
	$ 545,111	$ 583,819

See accompanying notes and schedules to the financial statements.

Approved on behalf of the Board:

Signed by:
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Director

Signed by:
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Director

FIRST NATIONS HEALTH AUTHORITY

Statement of Operations
(Expressed in thousands of dollars)

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

	2026	2025
Revenue (Schedule 1):		
Federal Government	$ 820,264	$ 750,369
Province of British Columbia	183,945	164,665
Interest and miscellaneous income	23,710	32,744
Health Authorities of British Columbia	1,461	1,396
First Nations Information Governance Centre (“FNIGC”)	603	611
	1,029,983	949,785
Expenses (Schedules 2 and 3):		
Corporate operations	71,955	77,611
Governance and First Nations Engagement:		
First Nations Health Council (note 15)	2,755	2,761
First Nations Health Directors Association (note 15)	2,287	2,741
First Nations Engagement	8,641	6,549
	13,683	12,051
Program services:		
Health benefits	288,714	277,681
Direct community services funding	384,831	377,021
Health services and programs	242,096	210,529
Regional Operations	14,425	13,694
	930,066	878,925
	1,015,704	968,587
Excess (deficiency) of revenues over expenses	$ 14,279	$ (18,802)

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, 2026, with comparative information for 2025

	Invested in capital asset (note 9)	Internally restricted (note 13)	Unrestricted	Total
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
Purchases of capital assets	9,966	-	(9,966)	-
Proceeds from long-term debt	(7,947)	-	7,947	-
Province of BC Internally Restricted	-	(263)	263	-
Federal Government Internally Restricted	-	(2,367)	2,367	-
FNHA Internal Reserves	-	(16,496)	16,496	-
Excess (deficiency) of revenue over expenses (note 9)	(3,409)	-	17,688	14,279
Balance, March 31, 2026	$ 27,954	$ 162,895	$ 50,337	$ 241,186

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, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenues over expenses	$ 14,279	$ (18,802)
Items not affecting cash:		
Gain on disposal of capital assets	(46)	(51)
Amortization of capital assets	3,525	2,635
Amortization of deferred capital contributions	(116)	(116)
	17,642	(16,334)
Changes in non-cash operating working capital balances:		
Accounts receivable	14,512	41,763
Prepaid expenses	4,990	2,028
Security deposits	(71)	24
Accounts payable and accrued liabilities	(26,842)	4,901
Deferred contributions	(33,976)	(8,440)
	(23,745)	23,942
Investing activities:		
Purchases of capital assets	(9,966)	(16,106)
Proceeds on disposal of capital assets	46	51
Purchase of investments	(15,636)	(14,971)
Maturities of investments	14,971	61,296
	(10,585)	30,270
Financing activities:		
Proceeds from long-term debt	7,947	4,684
Increase (decrease) in cash	(26,383)	58,896
Cash, beginning of year	415,951	357,055
Cash, end of year	$ 389,568	$ 415,951

See accompanying notes and schedules to the financial statements.

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.

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) Investments at amortized cost:

Investments consist of Guaranteed Investment Certificates (GICs) issued by Canadian financial institutions. GICs with contractual maturities of one year or less from the reporting date are classified as short-term investments. GICs with maturities exceeding one year are classified as long-term investments.

(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

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, 2026.

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.

During the year, the Authority revised its estimate of Medical Transportation deficit accruals based on a comprehensive review of Health Benefits claims. The review confirmed accrual amounts that will not be realized for fiscal years 2018/19 through 2022/23. As a result, a change in accounting estimate of $14.2 million was recognized in the statement of operations which is reflected within direct community services as a reduction to expenses. The change has been applied prospectively.

(f) Employee benefits:

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

4. Investments at amortized cost:

Available funds are invested in Guaranteed Investment Certificates (“GICs”). Interest earned on GICs was $538 (2025 - $1,462).

	2026	2025
GICs, interest rates of 4.3% to 4.65%, maturing August 6, 2025 to September 5, 2025	$ -	$ 14,971
GICs, interest rates of 2.95% to 3.15%, maturing August 20, 2027 to September 13, 2027	15,636	-
	15,636	14,971
Less: current portion	-	14,971
	$ 15,636	$ -

5. Capital assets:

2026	Cost	Accumulated amortization	Net book value
Computer hardware	$ 10,678	$ 9,990	$ 688
Computer software	4,739	4,307	432
Medical equipment	5,240	3,545	1,695
Vehicles	8,316	4,380	3,936
Leasehold improvements	12,827	7,498	5,329
Furniture, fixtures and equipment	288	266	22
Asset under construction	78,197	-	78,197
	$ 120,285	$ 29,986	$ 90,299

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

In 2023, the asset under construction experienced a water ingress event causing damage. During the year, costs to repair of $6,613 (2025 - $7,303) were incurred, and $8,900 (2025 - $2,600) was reimbursed by insurance providers, with the net recovery amount of $2,287 recorded as a reduction to expenses 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 $2,160 (2025 - $1,764) relating to employee payroll deductions, workers' compensation insurance premiums, and health tax.

7. Deferred contributions:

	Federal Government	Province of British Columbia	FNIGC Health Survey	Donated Capital Assets	Other	Total 2026
Deferred contributions, beginning of year	$ 36,666	$ 95,173	$ 1,258	$ 541	$ 4,753	$ 138,391
Contributions received	45,439	155,798	764	-	12,865	214,866
Contributions receivable	65	8,925	-	-	97	9,087
Less contributions paid or payable	-	(1,311)	-	-	(33)	(1,344)
Less amounts recognized as revenue	(67,063)	(183,552)	(603)	(116)	(5,367)	(256,701)
Deferred contributions, end of year	$ 15,107	$ 75,033	$ 1,419	$ 425	$ 12,315	$ 104,299

	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

Deferred contributions represent:

(a) Externally restricted contributions for which related expenses have not been incurred.

(b) The unamortized amount of deferred capital contributions.

8. Long-term debt:

The Authority entered into an agreement to partially finance the construction of an administration office building, through two secured non-revolving bank facilities of up to $118,750 (2025 - $91,100). Included is a contingent facility of up to $20,500 (2025 - nil), to provide flexibility to fund costs on an interim and as needed basis related to damage caused by the 2023 water ingress events. 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, 2026 was 3.95% (2025 - 4.45%). 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 2.24% and 2.73%.

Upon completion of the office building, the bank facility(s) 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, 2026, $61,920 (2025 - $53,973) has been drawn on the construction facility and interest of $1,483 (2025 - $2,030) has been incurred. As at March 31, 2026, no amounts have been drawn on the contingent facility. 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:

		2026		2025
Capital assets, end of the year	$	90,299	$	83,858
Portion funded by long-term debt		(61,920)		(53,973)
Deferred capital contributions		(425)		(541)
	$	27,954	$	29,344

The deficiency of revenue over expenses is calculated as follows:

		2026		2025
Amortization of deferred capital contributions	$	116	$	116
Amortization of capital assets		(3,525)		(2,635)
	$	(3,409)	$	(2,519)

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:

2027	$	4,124
2028		2,058
2029		644
2030		220
2031		132
	$	7,178

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 investments at amortized cost (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, investments at amortized cost, accounts receivable, and security deposits.

The Authority manages its credit risk by depositing cash and investing in GICs with a reputable commercial bank. Exposure to credit risk in accounts receivable is nominal 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.

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, 2024, the Plan has approximately 273,000 (2025 - 257,000) active members and 134,000 (2025 - 129,000) retired members. Active members include approximately 1,188 (2025 - 1,057) contributors from FNHA at March 31, 2026.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan. The most recent valuation as at December 31, 2024 indicated a surplus of $2.68 billion for basic pension benefits. The next valuation will be as at December 31, 2027 with results available in the fall of 2028. 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 $10.34 million (2025 - $8.90 million) for employer contributions to the Plan in fiscal 2026.

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:

	2026	2025
Province of BC Internally Restricted:		
Medical Service Plan Project Board	$ 440	$ 704
Federal Government Internally Restricted:		
Responding to Regional Priorities Funding	6,751	8,056
Opioid Wrap around Support Sites Funding	6,130	5,217
Mental Wellness Teams Funding	3,982	4,521
Public Health HR & HIV Programming Funding	2,541	1,721
Health Human Resources Data Capacity Funding	1,747	764
FNHA Impact Assessment Funding	788	701
Yukon & Inuit Treatment Centre Funding	625	1,141
STBBI and HIV Testing Funding	142	165
Climate Resilient Health Systems Initiative Funding	45	134
Childhood Compensation Funding	-	2,698
FNHA Reserves:		
First Nations Treatment Centre Reserve	37,697	52,173
Health Benefits Claims Reserve	27,907	18,407
Pre-Natal Escort & Traditional Healers	15,511	16,528
Social Determinants Reserve	9,997	4,997
Regional Priorities Reserve	8,762	7,500
Mental Health & Wellness - IRS Reserve	6,600	6,600
First Nations Led Primary Care Initiatives Reserve	5,426	5,426
Community Capital Investment Reserve	2,848	7,261
Health Actions Reserve	2,647	4,193
Integrated Primary Care & Mental Wellness Reserve	2,609	2,727
Mental Wellness Interim Measures Funding	2,294	2,748
Digital Enablement Strategy Reserve	2,160	1,168
Virtual Health DOD and SUPs Expansion Reserve	2,028	5,183
Tenant Improvement Reserve	2,000	-
Capital Asset Replacement Reserve	1,891	1,232
Mental Health & Wellness Reserve	1,654	-
Regional Governance & Engagement Reserve	1,490	2,500
Bridging & Transitioning Human Resources Capacity Reserve	1,109	1,548
Gathering Wisdom Reserve	775	2,700
Health Funding Agreement Initiatives Reserve	705	1,086
Digital Health Strategy Reserve	562	1,273
Prescription Drug Abuse Funding	509	701
Capacity Development in Community Reserve	402	1,691
FNHA Information Technology & Business Project Reserve	373	1,213
Medical Transportation Transformation Reserve	361	864
Oral Health Reserve	288	575
Data Strategy Reserve	249	810
Canada's Tobacco Strategy Funding	213	1,106
Information Security Reserve	206	2,093
Palliative Care Funding	157	325
Governance & Engagement Reserve	137	726
Community Health Planning Reserve	121	829
Health Benefits - Shingrix Vaccine	16	16
	$ 162,895	$ 182,021

14. Remuneration of employees and directors:

For the fiscal year ended March 31, 2026, FNHA paid total remuneration of $97,984 (2025 - $81,986) in respect of employees whose annual remuneration was $75 or greater. Remuneration paid to directors are as follows:

Position	Retainer	Meeting fees	2026
Board Chair	$ 32	$ 36	$ 68
Vice-Chair	21	18	39
Secretary/Treasurer	19	25	44
Member	8	15	23
Member	6	16	22
Member	8	10	18
Member	8	10	18
Member	6	12	18
Member	2	8	10
	$ 110	$ 150	$ 260

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

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 end is as follows:

Financial Position:

		2026		2025
Total assets	$	1,462	$	220
Total liabilities		(38)		(55)
Total net assets	$	1,424	$	165

Results of Operations:

		2026		2025
Total revenues	$	2,186	$	504
Total expenses		(928)		(339)
Excess of revenue over expenses	$	1,258	$	165

Cash Flows:

		2026		2025
Cash flows from Operating activities	$	1,247	$	209
Cash flows from Investing activities		(750)		-
Cash flows from Financing activities		-		-
Increase in cash	$	497	$	209

FNHA contributed $238 (2025 - $435) to the Foundation during the year to support its operations. The Foundation disbursed $265 (2025 - nil) to the FNHA during the year for Vancouver Island regional diabetes strategy and development program.

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 — Schedule 1
(Expressed in thousands of dollars)

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

	2026				2025			
	Unrestricted Federal Government	Unrestricted Province of British Columbia	Restricted	Total	Unrestricted Federal Government	Unrestricted Province of British Columbia	Restricted	Total
Revenue:								
Federal Government	$ 753,201	$ -	$ 67,063	$ 820,264	$ 719,604	$ -	$ 30,765	$ 750,369
Province of British Columbia	-	2,173	181,772	183,945	-	2,102	162,563	164,665
Interest and miscellaneous income	19,113	-	4,597	23,710	29,137	-	3,607	32,744
Health Authorities	575	-	886	1,461	952	-	444	1,396
First Nations Information Governance Centre	-	-	603	603	-	-	611	611
	772,889	2,173	254,921	1,029,983	749,693	2,102	197,990	949,785
Expenses:								
Corporate operations	62,662	-	9,293	71,955	69,108	21	8,482	77,611
Governance and Community Engagement:								
First Nations Health Council	2,755	-	-	2,755	2,362	-	399	2,761
First Nations Health Directors Association	2,287	-	-	2,287	2,741	-	-	2,741
First Nations Engagement	8,365	-	276	8,641	5,873	-	676	6,549
	13,407	-	276	13,683	10,976	-	1,075	12,051
Program services:								
Health benefits	288,033	-	681	288,714	277,368	-	313	277,681
Direct community services funding	277,623	-	107,208	384,831	279,014	-	98,007	377,021
Health services and Programs	122,847	2,072	117,177	242,096	118,753	2,335	89,441	210,529
Regional operations	13,806	-	619	14,425	12,763	-	931	13,694
	702,309	2,072	225,685	930,066	687,898	2,335	188,692	878,925
	778,378	2,072	235,254	1,015,704	767,982	2,356	198,249	968,587
Excess (deficiency) of revenue over expenses	(5,489)	101	19,667	14,279	(18,289)	(254)	(259)	(18,802)
Capital assets purchased	(9,966)	-	-	(9,966)	(15,001)	-	(1,105)	(16,106)
Total	$ (15,455)	$ 101	$ 19,667	$ 4,313	$ (33,290)	$ (254)	$ (1,364)	$ (34,908)

FIRST NATIONS HEALTH AUTHORITY

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

Schedule 2

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

2026	Contribution agreements	Health benefits	Salaries and benefits	General administrative	Professional fees	Community meetings and travel	Travel and meetings	Honoraria	Total
Expenses:									
Corporate operations	$ 1,743	$ -	$ 39,660	$ 22,566	$ 6,939	$ 196	$ 581	$ 270	$ 71,955
Governance and First Nations Engagement:									
First Nations Health Council	-	-	1,696	31	331	17	253	427	2,755
First Nations Health Directors Association	-	-	1,310	59	305	343	163	107	2,287
First Nations Engagement	1,357	-	2,079	141	958	3,351	755	-	8,641
	1,357	-	5,085	231	1,594	3,711	1,171	534	13,683
Program services:									
Health benefits	3,460	267,704	10,183	474	6,402	149	342	-	288,714
Direct community services funding	384,831	-	-	-	-	-	-	-	384,831
Health services and Programs	104,120	-	86,187	6,192	37,833	4,108	3,656	-	242,096
Regional Operations	-	-	12,950	381	226	293	575	-	14,425
	492,411	267,704	109,320	7,047	44,461	4,550	4,573	-	930,066
Total expenses	$ 495,511	$ 267,704	$ 154,065	$ 29,844	$ 52,994	$ 8,457	$ 6,325	$ 804	$ 1,015,704

2025	Contribution agreements	Health benefits	Salaries and benefits	General administrative	Professional fees	Community meetings and travel	Travel and meetings	Honoraria	Total
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

FIRST NATIONS HEALTH AUTHORITY

Expenses by Region
(Expressed in thousands of dollars)

Schedule 3

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

	North	Interior	Vancouver Island	Fraser	Vancouver Coastal	Provincial	2026 Total[1]
Direct community services funding	$ 117,061	$ 105,922	$ 94,926	$ 31,033	$ 38,977	$ (3,088)	$ 384,831
Health services and programs	45,119	33,876	41,430	13,157	22,753	85,761	242,096
Health benefits[1]	75,039	47,038	60,051	16,559	33,239	56,788	288,714
First Nations engagement	2,233	1,906	992	834	746	1,930	8,641
First National Health Council	112	84	108	80	68	2,303	2,755
First Nation Health Directors	22	30	37	18	6	2,174	2,287
Regional operations	3,913	2,648	2,422	2,731	2,641	70	14,425
Corporate operations	916	577	453	270	607	69,132	71,955
Total	$ 244,415	$ 192,081	$ 200,419	$ 64,682	$ 99,037	$ 215,070	$ 1,015,704

	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

[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. See Note 3(e) for information regarding the provincial Direct community services credit for 2026.