Financial Statements of

INTERIOR HEALTH AUTHORITY

And Independent Auditors Report thereon

Year ended March 31, 2026

Statement of Management Responsibility

The financial statements of Interior Health Authority (the "Authority") for the year ended March 31, 2026 have been prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS") issued by the Public Sector Accounting Board ("PSAB"), as required by the financial reporting provisions of Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia and in regard to the accounting for restricted contributions which is based on the Restricted Contributions Regulation 198/2011. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit and Finance Committee of the Board. The Audit and Finance Committee meets with management and the internal auditor no fewer than four times a year and the external auditors a minimum of two times a year.

The Authority's internal auditor independently evaluates the effectiveness of internal controls on an ongoing basis and reports its findings to management and the Audit and Finance Committee.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their examination considers internal control relevant to management's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of the Authority's internal control. The external auditors have full and free access to the Audit and Finance Committee of the Board and meet with it on a regular basis.

On behalf of Interior Health Authority

Sylvia Weir,
President & Chief Executive Officer

Nicole Elliot,
Chief Financial Officer

June 9, 2026

INTERIOR HEALTH AUTHORITY

Statement of Financial Position
(Tabular amounts expressed in thousands of dollars)

As at March 31, 2026, with comparative information for 2025

	2026	2025
Financial assets		
Cash and cash equivalents (note 2)	$ 434,703	$ 314,091
Accounts receivable (note 3)	249,817	260,183
Long-term disability and health and welfare benefits (note 7(b)(i))	123,421	123,396
	807,941	697,670
Liabilities		
Accounts payable and accrued liabilities (note 4)	577,158	476,118
Deferred operating contributions (note 5)	3,618	3,702
Debt (note 6)	437,661	450,293
Retirement allowance (note 7(a))	147,549	137,504
Deferred capital contributions (note 8)	1,850,272	1,685,252
Asset retirement obligations (note 9)	69,453	65,448
	3,085,711	2,818,317
Net debt	(2,277,770)	(2,120,647)
Non-financial assets		
Tangible capital assets (note 10)	2,232,808	2,072,923
Inventories held for use (note 11)	7,294	7,892
Prepaid expenses (note 12)	20,923	18,934
Restricted assets	235	235
	2,261,260	2,099,984
Accumulated deficit	$ (16,510)	$ (20,663)

Commitments and contingencies (note 13)
Contractual rights (note 19)
Subsequent event (note 20)
See accompanying notes to financial statements.

Approved on behalf of the Board:

Director
Dr. Robert Halpenny,
Board Chair

Director
Mike Gerrand,
Chair of the Audit and Finance Committee

INTERIOR HEALTH AUTHORITY

Statement of Operations and Accumulated Deficit
(Tabular amounts expressed in thousands of dollars)

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

	Budget (Notes 1(n), 18)	2026	2025
Revenues:			
Ministry of Health contributions	$ 3,512,709	$ 3,734,878	$ 3,503,998
Medical Services Plan	332,137	378,368	314,741
Patients, clients and residents (note 14(a))	144,882	146,580	136,149
Amortization of deferred capital contributions	114,907	113,896	112,114
Recoveries from other health authorities and BC government reporting entities	84,260	92,776	90,503
Other contributions (note 14(b))	51,154	55,644	52,353
Other (note 14(c))	40,600	56,013	53,736
Interest	10,625	8,897	12,739
	4,291,274	4,587,052	4,276,333
Expenses (note 14(d)):			
Acute	2,477,750	2,549,160	2,368,945
Long-term care	675,218	786,461	736,118
Community care	499,168	534,727	508,653
Corporate	283,784	300,237	279,044
Mental health and substance use	334,979	308,749	298,726
Population health and wellness	115,975	103,565	101,922
	4,386,874	4,582,899	4,293,408
Annual surplus (deficit)	(95,600)	4,153	(17,075)
Accumulated deficit, beginning of year	(20,663)	(20,663)	(3,588)
Accumulated deficit end of year	$ (116,263)	(16,510)	(20,663)

See accompanying notes to financial statements.

INTERIOR HEALTH AUTHORITY

Statement of Changes in Net Debt
(Tabular amounts expressed in thousands of dollars)

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

	Budget	2026	2025
	(Note 1 (n), 18)		
Annual surplus (deficit)	$ -	$ 4,153	$ (17,075)
Acquisition of tangible capital assets	(288,376)	(292,271)	(257,240)
Amortization of tangible capital assets	132,643	131,961	129,377
Net book value of tangible capital assets disposed	-	425	207
	(155,733)	(155,732)	(144,731)
Acquisition of inventories held for use	-	(111,778)	(115,242)
Acquisition of prepaid expenses	-	(42,241)	(34,594)
Consumption of inventories held for use	-	112,376	114,469
Use of prepaid expenses	-	40,252	30,850
	-	(1,391)	(4,517)
Increase in net debt	(155,733)	(157,123)	(149,248)
Net debt, beginning of year	(2,120,647)	(2,120,647)	(1,971,399)
Net debt, end of year	$ (2,276,380)	$ (2,277,770)	$ (2,120,647)

See accompanying notes to financial statements.

INTERIOR HEALTH AUTHORITY

Statement of Cash Flows
(Tabular amounts expressed in thousands of dollars)

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

	2026	2025
Cash flows from (used in) operating activities:		
Annual surplus (deficit)	$ 4,153	$ (17,075)
Items not involving cash:		
Amortization of deferred capital contributions	(113,896)	(112,114)
Accretion of asset retirement obligations	111	148
Amortization of tangible capital assets	131,961	129,377
Loss on disposal of tangible capital assets	387	207
Retirement allowance expense	18,015	15,274
Long-term disability and health and welfare benefits expense	54,703	45,899
Interest income	(8,897)	(12,739)
Interest expense	25,223	25,985
	111,760	74,962
Net change in non-cash operating items (note 15(a))	109,931	23,298
Retirement allowance benefits paid	(7,970)	(7,119)
Long-term disability and health and welfare benefits contributions	(54,728)	(93,827)
Interest received	8,897	12,739
Interest paid	(25,223)	(25,985)
Net change in cash from operating activities	142,667	(15,932)
Capital activities:		
Proceeds from disposal of capital assets	38	-
Acquisition of tangible capital assets (note 15(b))	(288,377)	(253,646)
Net change in cash from capital activities	(288,339)	(253,646)
Financing activities:		
Repayment of debt	(12,632)	(12,303)
Capital contributions	278,916	238,392
Net change in cash from financing activities	266,284	226,089
Increase (decrease) in cash and cash equivalents	120,612	(43,489)
Cash and cash equivalents, beginning of year	314,091	357,580
Cash and cash equivalents, end of year	$ 434,703	$ 314,091

See accompanying notes to financial statements.

Interior Health Authority (the "Authority") was created under the *Health Authorities Act of British Columbia* on December 12, 2001 with a Board of Directors appointed by the Ministry of Health (the "Ministry") and is one of six Health Authorities in British Columbia ("BC"). The Authority is dependent on the Ministry to provide sufficient funds to continue operations, replace essential equipment, and complete its capital projects. The Authority is a registered charity under the *Income Tax Act,* and as such, is exempt from income and capital taxes.

The role of the Authority is to promote and provide for the physical, mental and social well-being of people who live in the Interior region and those referred from outside the region.

1. Significant accounting policies:

(a) Basis of accounting:

The financial statements have been prepared in accordance with the financial reporting provisions of Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of BC supplemented by Regulations 257/2010 and 198/2011 issued by the Province of BC Treasury Board, referred to as the financial reporting framework (the "framework").

The *Budget Transparency and Accountability Act* requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all taxpayer-supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards ("PSAS") issued by the Canadian Public Sector Accounting Board ("PSAB") without any elections available to government not-for-profit organizations.

Regulation 198/2011 requires that restricted contributions received or receivable are to be reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

(i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset, in each case for use in providing services, are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate of amortization used for the related tangible capital asset. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal periods during which the tangible capital asset is used to provide services. If the depreciable tangible capital asset funded by a deferred contribution is written down, a proportionate share of the deferred capital contribution is recognized as revenue during the same period.

(ii) Contributions externally restricted for specific purposes other than those for the acquisition or development of a depreciable tangible capital asset are recorded as deferred operating contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions has been met by the Authority.

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

For BC taxpayer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of PSAS which requires that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified; and
- deferred contributions meet the definition of a liability.

As a result, revenue recognized in the statement of operations and certain related deferred capital contributions would be recorded differently under PSAS.

(b) Basis of presentation:

The Authority has collaborative relationships with certain foundations and auxiliaries, which support the activities of the Authority and/or provide services under contracts. As the Authority does not control these organizations, the financial statements do not include the assets, liabilities and results of operations of these entities (see note 16(c)).

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on-hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

(d) Accounts receivable:

Accounts receivable are recorded at amortized cost less an amount for an allowance for doubtful accounts. Valuation allowances are made to reflect accounts receivable at the lower of amortized cost and the net recoverable value when risk of loss exists. Changes in the valuation allowance are recognized in the statement of operations.

1. Significant accounting policies (continued):

(e) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all the following are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

Liabilities for closure of operational sites are recognized based on estimated future expenses. Additional liabilities for the removal of asbestos and underground fuel tanks have been recognized based on estimated future expenses. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The liability is adjusted annually to reflect current market conditions in the estimated costs. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets which are being amortized along with the underlying assets following the depreciation accounting policies outlined in note 1(g).

(f) Employee benefits:

(i) Defined benefit obligations, including multiple employer benefit plans:

Liabilities, net of plan assets, are recorded for employee retirement allowance benefits and multiple-employer defined long-term disability and health and welfare benefits plans as employees render services to earn the benefits.

The actuarial determination of the accrued benefit obligations uses the projected benefit method prorated on service which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors. Plan assets are measured at fair value.

The cumulative unrecognized actuarial gains and losses for retirement allowance benefits are amortized over the expected average remaining service period of active employees covered under the plan. The expected average remaining service period of the active covered employees entitled to retirement allowance benefit is 12 years (2025 – 11 years). Actuarial gains and losses from event-driven benefits such as long-term disability and health and welfare benefits that do not vest or accumulate are recognized immediately.

1. Significant accounting policies (continued):

(f) Employee benefits (continued):

(i) Defined benefit obligations, including multiple employer benefit plans (continued):

The discount rate used to measure an obligation is based on the Province of BC's cost of borrowing if there are no plan assets. The expected rate of return on plan assets is the discount rate used if there are plan assets. The cost of a plan amendment or the crediting of past service is accounted for entirely in the year that the plan change is implemented.

(ii) Defined contribution plans and multi-employer benefit plans:

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

(iii) Accumulating, non-vesting benefit plans:

Benefits that accrue to employees, which do not vest, such as sick leave banks for certain employee groups, are accrued as the employees render services to earn the benefits, based on estimates of the expected future settlements.

(iv) Non-accumulating, non-vesting benefit plans:

For benefits that do not vest or accumulate, a liability is recognized when an event that obligates the Authority to pay benefits occurs.

(g) Non-financial assets:

(i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset and overhead directly attributable to construction and development. Interest is capitalized over the development period whenever external debt is issued to finance the construction and development of tangible capital assets.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	5 - 25 years
Buildings	10 - 50 years
Equipment	3 - 20 years
Information systems	3 - 10 years
Leasehold improvements	2 - 15 years
Vehicles	4 years

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

(i) Tangible capital assets (continued):

Assets under construction or development are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Authority's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets is less than their net book value. The write-downs of tangible capital assets are recorded in the statement of operations. Write-downs are not subsequently reversed.

Contributed tangible capital assets are recorded at their fair value on the date of contribution. Such fair value becomes the cost of the contributed asset. When fair value of a contributed asset cannot be reliably determined, the asset is recorded at nominal value.

(ii) Inventories held for use:

Inventories held for use are recorded at the lower of weighted average cost and replacement cost.

(iii) Prepaid expenses:

Prepaid expenses are recorded at cost and amortized over the period where the service benefits are received.

(h) Revenue recognition:

Under the *Hospital Insurance Act* and *Regulation* thereto, the Authority is funded primarily by the Province of BC in accordance with budget management plans and performance agreements established and approved by the Ministry.

Revenues are recognized on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

Revenue related to fees or services received in advance of the fee being earned or the service being performed are deferred and recognized when the fees are earned, or services performed.

Unrestricted contributions are recognized as revenue when receivable if the amounts can be estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue depending on the nature of the restrictions on the use of the funds by the contributors as described in note 1(a).

1. Significant accounting policies (continued):

(h) Revenue recognition (continued):

Volunteers contribute a significant amount of their time each year to assist the Authority in carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Contributions of assets, supplies and services that would otherwise have been purchased are recorded at fair value at the date of contribution, provided a fair value can be reasonably determined.

Contributions for the acquisition of land, or the contributions of land, are recorded as revenue in the period of acquisition or transfer of title.

(i) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Areas requiring the use of estimates include the valuation of accounts receivable, the estimated useful lives of tangible capital assets, timing, duration, and amounts required to settle asset retirement obligations, contingent liabilities, and the future costs to settle employee benefit obligations.

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

(j) Restricted assets:

Restricted assets are comprised of endowment contributions which are externally restricted in their use. Endowment contributions are recorded as revenue in the period of acquisition. Use of these funds is limited to the terms of reference.

(k) Foreign currency translation:

The Authority's functional currency is the Canadian dollar. Foreign currency transactions are translated at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Any gain or loss resulting from a change in rates between the transaction date and the settlement date or statement of financial position date is recognized in the statement of operations.

(l) Financial instruments:

Financial instrument classification is determined upon inception and financial instruments are not reclassified into another measurement category for the duration of the period they are held.

1. Significant accounting policies (continued):

(l) Financial instruments (continued):

Financial assets and financial liabilities, other than derivatives, equity instruments quoted in an active market and financial instruments designated at fair value, are measured at cost or amortized cost upon their inception and subsequent to initial recognition. Cash and cash equivalents are measured at cost. Accounts receivable are recorded at cost less any amount for an allowance for doubtful accounts. All debt and other financial liabilities are recorded using cost or amortized cost.

All financial assets recorded at amortized cost are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Transaction costs for financial instruments measured using cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs for financial instruments measured at fair value are expensed when incurred.

A financial liability or its part is derecognized when it is extinguished.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the Authority's normal purchase, sale or usage requirements are not recognized as financial assets or financial liabilities.

(m) Capitalization of public-private partnership projects:

Public-private partnership ("P3") projects are delivered by private sector partners selected to design, build, finance, and maintain the assets. The cost of the assets under construction are estimated at fair value, based on construction progress billings verified by an independent certifier, and also includes other costs incurred directly by the Authority.

The asset cost includes development and financing fees estimated at fair value, which require the extraction of cost information from the financial model embedded in the project agreement. Interest during construction is also included in the asset cost and is calculated on the P3 asset value, less contributions received and amounts repaid, during the construction term. The interest rate used is the project's internal rate of return.

1. Significant accounting policies (continued):

(m) Capitalization of public-private partnership projects (continued):

When available for operations, the project assets are amortized over their estimated useful lives. Correspondingly, an obligation for the cost of capital and financing received to date, net of the contributions received is recorded as a liability and included in debt. Upon substantial completion, the private sector partner receives monthly payments to cover the partner's operating costs, financing costs and a return of their capital over the term of their project agreement.

(n) Budget figures:

Budget figures have been provided for comparative purposes and have been derived from the Authority's Fiscal 2025/2026 Budget approved by the Board of Directors on October 07, 2025. The budget is reflected in the statement of operations and accumulated operating deficit and the statement of changes in net debt. Note 18 reconciles the approved budget to the budget information reported in these financial statements.

(o) Future accounting standards:

In October 2023, the PSAB issued PS 1202, *Financial Statement Presentation*, effective for fiscal years beginning on or after April 1, 2026. PS 1202 replaces PS1201 and revises the definitions and classifications of financial statement elements, including assets, liabilities, revenues, and expenses. PS 1202 also introduces new presentation and disclosure requirements for the statement of financial position, statement of operations, statement of changes in net debt, and statement of cash flows. Management is currently evaluating the impact of PS 1202 on the financial statements.

(Tabular amounts expressed in thousands of dollars)

2. Cash and cash equivalents:

	2026	2025
Cash and cash equivalents	$ 434,703	$ 314,091
Amounts restricted for capital purposes	(147,673)	(153,781)
Amounts restricted for future operating purposes	(3,618)	(3,702)
Amounts restricted for P3 projects	(23,992)	(22,537)
Amounts restricted for patient comfort funds	(200)	(176)
Unrestricted cash and cash equivalents	$ 259,220	133,895

3. Accounts receivable:

	2026	2025
Patients, clients and residents	$ 60,179	$ 58,825
Other health authorities and BC government reporting entities	32,057	40,660
Medical Services Plan	81,950	55,362
Ministry of Health	54,591	24,283
Regional hospital districts	8,979	14,492
Foundations and auxiliaries	3,320	6,330
Federal government	9,076	4,446
WorkSafeBC	1,535	2,257
Other	32,959	89,191
	284,646	295,846
Allowance for doubtful accounts	(34,829)	(35,663)
	$ 249,817	$ 260,183

(Tabular amounts expressed in thousands of dollars)

4. Accounts payable and accrued liabilities:

	2026	2025
Salaries and benefits	$ 307,777	$ 223,165
Accrued vacation	125,931	116,538
Trade accounts payable and accrued liabilities	143,450	136,415
	$ 577,158	$ 476,118

5. Deferred operating contributions:

Deferred operating contributions represent externally restricted operating funding received for specific purposes.

	2026	2025
Deferred operating contributions, beginning of year	$ 3,702	$ 3,531
Contributions received	2,351	2,356
Amount recognized as revenue	(2,435)	(2,185)
Deferred operating contributions, end of year	$ 3,618	$ 3,702

(Tabular amounts expressed in thousands of dollars)

6. Debt:

	2026	2025
Public-private partnerships:		
Kelowna and Vernon Hospitals project, 30 year contract to August 2042 with Infusion Health KVH General Partnership, payable in monthly payments including annual interest of 7.62%, in accordance with the project agreement terms	$ 100,402	$ 105,405
Interior Heart & Surgical Centre project, 30 year contract to December 2044 with Plenary Health, payable in monthly payments including annual interest of 5.93%, in accordance with the project agreement terms	63,082	64,871
Penticton Hospital Tower project, 30 year contract to December 2048 with EllisDon, payable in monthly payments including annual interest of 4.83%, in accordance with the project agreement terms	121,070	123,979
Royal Inland Hospital Tower project, 30 year contract to February 2052 with EllisDon, payable in monthly payments including interest of 4.88%, in accordance with the terms of the project agreement.	153,107	156,038
	$ 437,661	$ 450,293

Scheduled principal repayments on debt for the years ending March 31 are as follows:

2027	$ 12,946
2028	13,764
2029	15,507
2030	16,465
2031	15,634
Thereafter	363,345
	$ 437,661

(Tabular amounts expressed in thousands of dollars)

7. Employee benefits:

(a) Retirement allowance:

Certain employees with ten or twenty years of service and having reached a certain age are entitled to receive special payments upon retirement or as specified by collective or employee agreements. These payments are based upon accumulated sick leave credits and entitlements for each year of service.

The Authority's liabilities are based on an actuarial valuation as at the early measurement date of December 31, 2025 and extrapolated to March 31, 2026 from which the service cost and interest cost components of expense for the fiscal year ended March 31, 2026 are derived.

Information about retirement allowance benefits is as follows:

	2026	2025
Accrued benefit obligation:		
Severance benefits	$ 98,756	$ 93,139
Sick leave benefits	60,571	54,876
	159,327	148,015
Unamortized actuarial gain	(11,778)	(10,511)
Accrued benefit liability	$ 147,549	$ 137,504

The accrued benefit liability for retirement allowance reported on the statement of financial position is as follows:

	2026	2025
Accrued benefit liability, beginning of year	$ 137,504	$ 129,349
Net benefit expense:		
Current service cost	11,962	10,453
Interest expense	5,499	4,956
Amortization of actuarial loss (gain)	554	(135)
Net benefit expense	18,015	15,274
Benefits paid	(7,970)	(7,119)
Accrued benefit liability, end of year	$ 147,549	$ 137,504

(Tabular amounts expressed in thousands of dollars)

7. Employee benefits (continued):

(a) Retirement allowance (continued):

The significant actuarial assumptions adopted in measuring the Authority's accrued retirement benefit obligation are as follows:

	2026	2025
Accrued benefit obligation as at March 31:		
Discount rate	3.73%	3.60%
Rate of compensation increase (2025-2028)	3.00%	2.50%
Rate of compensation increase (2029)	2.50%	2.50%
Rate of compensation increase thereafter	2.50%	2.50%
Benefit costs for years ended March 31:		
Discount rate	3.60%	3.49%
Rate of compensation increase (2025)	2.50%	2.50%
Rate of compensation increase thereafter	2.50%	2.50%
Expected future inflationary increases	2.00%	2.00%

(b) Healthcare Benefit Trust benefits:

The Healthcare Benefit Trust (the "Trust") administers long-term disability, group life insurance, accidental death and dismemberment, extended health and dental claims for certain employee groups of the Authority and other provincially funded organizations.

The Authority and all other participating employers are jointly responsible for the liabilities of the Trust should any participating employers be unable to meet their obligation to contribute to the Trust.

(i) Long-term disability and employee life and health benefits:

The Trust is a multiple employer plan, with the Authority's assets and liabilities being segregated with respect to all benefits. Accordingly, the Authority's net trust assets are reflected in these financial statements.

The Authority's net asset as of March 31, 2026, is based on the actuarial valuation at December 31, 2025, extrapolated to March 31, 2026. The next expected valuation is as of December 31, 2026.

(Tabular amounts expressed in thousands of dollars)

7. Employee benefits (continued):

(b) Healthcare Benefit Trust benefits (continued):

(i) Long-term disability and employee life and health benefits (continued):

The long-term disability and employee life and health benefits net asset reported on the statement of financial position is as follows:

	2026	2025
Fair value of plan assets	$ 321,403	$ 319,228
Accrued benefit obligation	197,982	195,832
Net funded asset	$ (123,421)	$ (123,396)

	2026	2025
Long-term disability and employee life and health benefits asset, beginning of year:	$ (123,396)	$ (75,468)
Net benefit expense:		
Long-term disability expense	36,189	34,190
Health and welfare benefit expense	44,652	39,812
Interest expense	11,185	11,158
Actuarial gain	(17,912)	(22,095)
Employee payments	(1,502)	(1,325)
Expected return on assets	(17,909)	(15,841)
Net benefit expense	54,703	45,899
Contributions to the plan	(54,728)	(93,827)
Long-term disability and employee life and health benefits asset, end of year	$ (123,421)	$ (123,396)
Benefits paid to claimants (calendar year):	$ 79,496	$ 73,307

Plan assets consist of:

Calendar year ending December 31:	2025	2024
Debt securities	38.7%	37.0%
Foreign equities	35.8%	35.3%
Equity securities and other	25.5%	27.7%
Total	100.00%	100.0%

(Tabular amounts expressed in thousands of dollars)

7. Employee benefits (continued):

(b) Healthcare Benefit Trust benefits (continued):

(i) Long-term disability benefits (continued):

The significant actuarial assumptions adopted in measuring the Authority's long-term disability benefits liabilities are as follows:

	2026	2025
Accrued benefit obligation as at March 31:		
Discount rate	5.60%	5.70%
Benefit indexing (2025)		2.25%
Benefit indexing (2026)	2.25%	2.25%
Benefit indexing thereafter	2.25%	2.25%
Benefit costs for years ended March 31:		
Discount rate	5.70%	5.80%
Benefit indexing (2024)		3.00%
Benefit indexing (2025)	2.25%	2.25%
Benefit indexing thereafter	2.25%	2.25%
Expected future inflationary increases	2.00%	2.00%
Expected long-term rate of return on plan assets	5.60%	5.70%
Actual rate of return on plan assets	9.00%	12.60%

(ii) Other Trust benefits:

Effective April 1, 2017, management of the long-term disability and health and welfare benefits being provided to Health Science Professionals Bargaining Association, Community Bargaining Association, and Facilities Bargaining Association employees transitioned to joint benefit trusts. Employer contributions to the joint benefit trusts are based on a specified percentage of payroll costs. During the year ended March 31, 2026, the Authority made contributions to these joint benefits trusts totaling $90.1 million (2025 - $87.0 million).

7. Employee benefits (continued):

(c) Employee pension benefits:

The Authority and its employees contribute to the Municipal Pension Plan and the Public Service Pension Plan, multi-employer defined benefit pension plans governed by the *BC Public Sector Pension Plans Act*.

Employer contributions to the Municipal Pension Plan of $145.9 million (2025 - $140.0 million) were expensed during the year. Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation for the plan at December 31, 2024 indicated a surplus of approximately $2.675 million. The actuary does not attribute portions of the surplus to individual employers. The plan covers approximately 273,000 active members, of which approximately 24,255 are employees of the Authority (2025 – 23,295). The next expected actuarial valuation will be as of December 31, 2027.

Employer contributions to the Public Service Pension Plan of $0.3 million (2025 - $0.4million) were expensed during the year. Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation for the plan at March 31, 2023 indicated a surplus of approximately $4,491 million. The actuary does not attribute portions of the surplus to individual employers. The plan covers approximately 80,000 active members, of which approximately 37 are employees of the Authority (2025 – 50). The next expected actuarial valuation will be as of March 31, 2026, with results available in 2027.

(Tabular amounts expressed in thousands of dollars)

8. Deferred capital contributions:

Deferred capital contributions represent externally restricted contributions and other funding received for the purchase of tangible capital assets.

	2026	2025
Deferred capital contributions, beginning of year	$ 1,685,252	$ 1,558,974
Capital contributions received:		
Ministry of Health	189,870	152,407
Regional hospital districts	66,043	64,005
Foundations and auxiliaries	18,819	20,767
Health authorities and BC government reporting entities	122	50
Other	4,062	1,163
	278,916	238,392
Amortization of deferred capital contributions	(113,896)	(112,114)
Deferred capital contributions, end of year	$ 1,850,272	$ 1,685,252

Deferred capital contributions are comprised of the following:

	2026	2025
Contributions used to purchase tangible capital assets	$ 1,702,599	$ 1,531,471
Unspent contributions	147,673	153,781
	$ 1,850,272	$ 1,685,252

(Tabular amounts expressed in thousands of dollars)

9. Asset retirement obligations:

The Authority owns and operates facilities that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. The Authority also owns underground fuel storage tanks, and the removal of fuel storage tanks is regulated to reduce the risk of release of petroleum products.

The Authority has recognized an obligation relating to the removal and disposal of the asbestos and for the cost of safe disposal of underground fuel tanks. The transition and recognition of asset retirement obligations involved an accompanying increase to the buildings capital asset.

Changes to the asset retirement obligation in the year are as follows:

		2026		2025
Asset retirement obligations, beginning of year	$	65,448	$	61,706
Increase in asset retirement obligations		3,894		3,594
Accretion		111		148
Asset retirement obligations, end of the year	$	69,453	$	65,448

(Tabular amounts expressed in thousands of dollars)

10. Tangible capital assets:

Cost	2025	Additions	Disposals	Transfers	2026
Land	$ 56,810	$ 70	$ (37)	$ 684	$ 57,527
Land improvements	38,334	-	-	5,713	44,047
Buildings	2,531,121	5,102	(3,170)	77,002	2,610,055
Equipment	879,837	19,519	(31,509)	46,196	914,043
Information systems	179,844	201	(2,008)	7,438	185,475
Leasehold improvements	55,478	190	(123)	17,564	73,109
Vehicles	11,875	2,080	(569)	-	13,386
Construction in progress	297,952	206,367	-	(76,958)	427,361
Equipment and information systems in progress	52,346	58,742	-	(77,639)	33,449
Total	$ 4,103,597	$ 292,271	$ (37,416)	$ -	$ 4,358,452

Accumulated amortization	2025	Amortization	Disposals	Transfers	2026
Land improvements	$ 24,980	$ 1,223	$ -	$ -	$ 26,203
Buildings	1,145,157	62,636	(3,137)	-	1,204,656
Equipment	674,694	49,539	(31,179)	1	693,055
Information systems	148,227	12,088	(2,008)	(1)	158,306
Leasehold improvements	28,757	5,135	(123)	-	33,769
Vehicles	8,859	1,340	(544)	-	9,655
Total	$ 2,030,674	$ 131,961	$ (36,991)	$ -	$ 2,125,644

Cost	2024	Additions	Disposals	Transfers	2025
Land	$ 56,810	$ -	$ -	$ -	$ 56,810
Land improvements	30,041	-	(39)	8,332	38,334
Buildings	2,505,994	3,839	(3,194)	24,482	2,531,121
Equipment	839,647	20,420	(12,333)	32,103	879,837
Information systems	170,733	53	(1,083)	10,141	179,844
Leasehold improvements	45,981	61	(175)	9,611	55,478
Vehicles	10,758	1,900	(783)	-	11,875
Construction in progress	172,266	168,628	-	(42,942)	297,952
Equipment and information systems in progress	31,734	62,339	-	(41,727)	52,346
Total	$ 3,863,964	$ 257,240	$ (17,607)	$ -	$ 4,103,597

(Tabular amounts expressed in thousands of dollars)

10. Tangible capital assets (continued):

Accumulated amortization	2024	Amortization	Disposals	Transfers	2025
Land improvements	$ 23,867	$ 1,152	$ (39)	$ -	$ 24,980
Buildings	1,087,044	61,307	(3,194)	-	1,145,157
Equipment	640,901	45,921	(12,126)	(2)	674,694
Information systems	133,335	15,974	(1,083)	1	148,227
Leasehold improvements	25,089	3,843	(175)	-	28,757
Vehicles	8,461	1,180	(783)	1	8,859
Total	$ 1,918,697	$ 129,377	$ (17,400)	$ -	$ 2,030,674

Net book value	2026	2025
Land	$ 57,527	$ 56,810
Land improvements	17,844	13,354
Buildings	1,405,399	1,385,964
Equipment	220,988	205,143
Information systems	27,169	31,617
Leasehold improvements	39,340	26,721
Vehicles	3,731	3,016
Construction in progress	427,361	297,952
Equipment and information systems in progress	33,449	52,346
Total	$ 2,232,808	$ 2,072,923

Tangible capital assets are funded as follows:

	2026	2025
Deferred capital contributions	$ 1,702,599	$ 1,531,471
Debt	437,661	450,293
Internally funded	92,548	91,159
Tangible capital assets	$ 2,232,808	$ 2,072,923

(Tabular amounts expressed in thousands of dollars)

11. Inventories held for use:

	2026	2025
Medical supplies	$ 5,086	$ 5,444
Pharmaceuticals	2,208	2,448
	$ 7,294	$ 7,892

12. Prepaid expenses:

	2026	2025
Contracted services	$ 2,659	$ 4,886
Maintenance contracts	14,237	10,937
Rent/leases	290	423
Other	3,738	2,688
	$ 20,923	$ 18,934

13. Commitments and contingencies:

(a) Construction, equipment and information systems projects in progress:

As at March 31, 2026, the Authority had outstanding commitments for construction, equipment and information systems projects in progress of $541.0 million (2025 – $218.0 million).

(b) Contractual obligations:

The Authority has entered into various contracts for services within the normal course of operations. The estimated contractual obligations under the contracts are as follows:

2027	$ 498,609
2028	238,138
2029	94,000
2030	40,016
2031	25,771
Thereafter	3,534
	$ 900,068

(Tabular amounts expressed in thousands of dollars)

13. Commitments and contingencies (continued):

(c) Long-term care contracts:

The Authority has entered into contracts with 45 service providers to provide long-term care services. The aggregate annual commitments for these contracts for the years ending March 31 are as follows:

2027	$	313,123
2028		36,525
2029		12,335
2030		6,083
2031		6,083
Thereafter		3,116
	$	377,265

(d) Operating leases:

The aggregate minimum future annual rentals under operating leases for the years ending March 31 are as follows:

2027	$	21,449
2028		20,167
2029		15,041
2030		14,781
2031		13,401
Thereafter		83,176
	$	168,015

(Tabular amounts expressed in thousands of dollars)

13. Commitments and contingencies (continued):

(e) Public-private partnerships commitments:

The Authority has entered into multiple-year P3 contracts to design, build, finance, and maintain the Kelowna and Vernon Hospitals' project, the Interior Heart and Surgical Centre project, the Penticton Regional Hospital Tower project, and the Royal Inland Hospital Tower project. The information presented below shows the anticipated cash outflow for future obligations under these contracts for the capital cost and financing of the asset, the facility maintenance ("FM") and the lifecycle costs. As construction progresses, the asset values are recorded as tangible capital assets and the corresponding liabilities are recorded as debt and disclosed in note 6. Facilities maintenance and life cycle payments to the private partner are contingent on specified performance criteria and include an estimation of inflation where applicable.

	Capital and financing	FM and lifecycle	Total payments
2027	$ 37,483	$ 38,129	$ 75,612
2028	37,422	41,390	78,812
2029	38,332	41,622	79,954
2030	38,327	44,473	82,800
2031	36,456	47,925	84,381
Thereafter	564,120	837,127	1,401,247
	$ 752,140	$ 1,050,666	$ 1,802,806

(f) Litigation and claims:

Risk management and insurance services for all health authorities in BC are provided by the Risk Management and Government Security Branch of the Ministry of Finance.

The nature of the Authority's activities is such that there is litigation pending or in progress at any time. With respect to unsettled claims at March 31, 2026, management is of the opinion that the Authority has valid defenses and appropriate insurance coverage in place, or if there is unfunded risk, such claims are not expected to have material effect on the Authority's financial position. Outstanding contingencies are reviewed on an ongoing basis and are provided for based on management's best estimate of the ultimate settlement.

(Tabular amounts expressed in thousands of dollars)

14. Statement of operations:

(a) Patients, clients and residents revenue:

	2026	2025
Long-term and extended care	$ 61,182	$ 57,017
Non-residents of BC	30,311	29,583
Non-residents of Canada	20,260	15,080
WorkSafe BC	11,215	10,733
Residents of BC self pay	20,706	20,939
Federal government	808	819
Preferred accommodation	202	201
Other	1,896	1,777
	$ 146,580	$ 136,149

(b) Other contributions:

	2026	2025
Provincial Health Services Authority	$ 51,843	$ 49,303
Other BC government reporting entities	3,038	2,214
Other	763	836
	$ 55,644	$ 52,353

(c) Other revenues:

	2026	2025
Compensation recoveries	$ 21,047	$ 20,597
Parking	6,147	5,795
Other	28,819	27,344
	$ 56,013	$ 53,736

(Tabular amounts expressed in thousands of dollars)

14. Statement of operations (continued):

(d) The following is a summary of expenses by object:

	2026	2025
Compensation:		
Compensation	$ 2,520,421	$ 2,330,705
Employee Benefits	562,572	518,593
Gain on event-driven employee benefits	(17,912)	(22,095)
	3,065,081	2,827,203
Referred-out and contracted services:		
Health and support services providers	711,368	669,471
Other health authorities and BC government reporting entities	8,551	9,483
	719,919	678,954
Supplies:		
Medical and surgical	174,271	166,308
Drugs and medical gases	110,108	111,680
Diagnostic	45,392	43,123
Food and dietary	30,152	28,475
Printing, stationery and office	8,869	9,002
Laundry and linen	8,344	8,685
Environmental services	8,465	8,362
Other	21,107	21,429
	406,708	397,064
Amortization of tangible capital assets	131,961	129,377
Equipment and building services:		
Equipment	61,855	62,516
Plant operation (utilities)	22,753	23,878
Rent	20,511	18,747
Building and ground service contracts	20,444	19,121
Other	15,669	11,993
	141,232	136,255
Sundry:		
Patient transport	14,434	14,236
Travel	15,915	17,629
Communication and data processing	8,122	7,952
Professional fees	10,902	10,243
Other	43,402	48,510
	92,775	98,570
Interest on debt	25,223	25,985
	$ 4,582,899	$ 4,293,408

(Tabular amounts expressed in thousands of dollars)

15. Supplementary cash flow information:

(a) Net change in non-cash operating items:

	2026	2025
Accounts receivable	$ 10,366	$ (9,211)
Accounts payable and accrued liabilities	101,040	36,855
Deferred operating contributions	(84)	171
Inventories held for use	598	(773)
Prepaid expenses	(1,988)	(3,744)
	$ 109,932	$ 23,298

(b) Acquisition of tangible capital assets:

Assets purchased or acquired through debt or other non-cash transactions are excluded from purchase of tangible capital assets on the statement of cash flows.

	2026	2025
Acquisition of tangible capital assets (note 10)	$ 292,271	$ 257,240
Increase in asset retirement obligations (note 9)	(3,894)	(3,594)
	$ 288,377	$ 253,646

16. Related parties and other agencies:

The following are types of related parties. Disclosure of values for related party transactions is only required if the values are different from that which would have been arrived at if the parties were unrelated.

(a) BC Government reporting entities:

The Authority is related through common control to all Province of BC ministries, agencies, Crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity.

The Authority contracts certain services to Provincial Health Services Authority (PHSA), including accounts payable, tech services and supply chain. The expense recorded for contracted services with PHSA in 2026 was $22.3 million (2025 - $23.7 million).

16. Related parties and other agencies (continued):

(a) BC Government reporting entities (continued):

The Authority contracts clinical and other services from government reporting entities (GRE's) including cancer programs, renal services, and other programs. The revenue recorded for the recoveries from GRE's in 2026 was $23.0 million (2025 - $20.2 million). As at March 31, the Authority has accounts receivable of $28.3 million (2025 - $37.6 million) and accounts payable of $23.5 million (2025 - $21.0 million) to other GRE's for these services.

Transactions with these entities, unless disclosed otherwise, are considered to be in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Other transactions have been recorded at fair value and are not disclosed.

(b) Key management personnel:

The Authority has deemed the Board of Directors and Senior Executive Team and their close family members or entities controlled by them to be related parties. A declaration is completed by key management personnel annually to confirm whether there are any related party transactions between themselves, their close family members, or entities under their control and the Authority. No transactions were reported that required disclosure.

(c) Foundations and auxiliaries:

There are 74 separate health care foundations and auxiliaries, which were established to raise funds for their respective hospitals and/or community health services organizations within the Authority area. The foundations and auxiliaries are separate legal entities incorporated under the *Societies Act of British Columbia* with separate governance structures. The foundations and some of the auxiliaries are registered charities under the provisions of the *Income Tax Act* of Canada. The financial and non-financial assets and liabilities and results from operations of the foundations and auxiliaries are not included in the financial statements of the Authority. During the year, the foundations and auxiliaries granted $22.0 million (2025 - $24.2 million) to various facilities within the Authority.

17. Risk management:

The Authority is exposed to credit risk, liquidity risk and foreign exchange risk from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Authority's financial instruments is provided below by type of risk.

(a) Credit risk

Credit risk primarily arises from the Authority's cash and cash equivalents and accounts receivable. The risk exposure is limited to their varying amounts at the date of the statement of financial position. The Authority manages credit risk by holding balances of cash and cash equivalents with reputable top rated financial institutions.

Accounts receivable primarily consist of amounts receivable from the Ministry, other health authorities and BC government reporting entities, patients, clients and agencies, foundations and auxiliaries, grantors etc. To reduce the risk, the Authority periodically reviews the collectability of its accounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. As at March 31, 2026, the amount of allowance for doubtful accounts was $34.8 million (2025 - $35.7 million).

The Authority is not exposed to significant credit risk with respect to the amounts receivable from the Ministry, other health authorities and BC government reporting entities.

(b) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they become due. It is the Authority's intention to meet its financial obligations through the collection of current accounts receivable, cash on hand and future funding from the Ministry.

(Tabular amounts expressed in thousands of dollars)

17. Risk management (continued):

(b) Liquidity risk (continued):

The Authority's principal source of funding is from the Ministry. The Authority is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purpose outlined in the funding letter or grant documentation. The Authority has complied with the external restrictions on the funding provided.

The tables below show when various financial instrument assets and liabilities mature:

2026 Assets	Up to 1 year	1 to 5 years	Over 5 years	Total
Cash and cash equivalents	$ 434,703	$ -	$ -	$ 434,703
Accounts receivable	249,817	-	-	249,817
	$ 684,520	$ -	$ -	$ 684,520

2026 Liabilities	Up to 1 year	1 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	$ 576,713	$ 445	$ -	$ 577,158
Debt	12,946	61,370	363,345	437,661
	$ 589,659	$ 61,815	$ 363,345	$ 1,014,819

2025 Assets	Up to 1 year	1 to 5 years	Over 5 years	Total
Cash and cash equivalents	$ 314,091	$ -	$ -	$ 314,091
Accounts receivable	260,183	-	-	260,183
	$ 574,274	$ -	$ -	$ 574,274

2025 Liabilities	Up to 1 year	1 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	$ 475,683	$ 435	$ -	$ 476,118
Debt	12,632	58,682	378,979	450,293
	$ 488,315	$ 59,117	$ 378,979	$ 926,411

Debt pertaining to P3 projects is funded through the ongoing annual operating grants received from the Ministry.

17. Risk management (continued):

(c) Foreign exchange risk

The Authority's operating results and financial position are reported in Canadian dollars. As the Authority operates in an international environment, some of the Authority's financial instruments and transactions are denominated in currencies other than Canadian dollar. The results of the Authority's operations are subject to currency transaction and translation risks.

The Authority makes payments denominated in USA dollars, Great Britain pounds and other currencies. Currencies most contributing to the foreign exchange risk is the US dollar.

Comparative foreign exchange rates as at March 31 are as follows:

		2026		2025
US dollar per Canadian dollar	$	0.717	$	0.696

The Authority has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks, as management believes that the foreign exchange risk derived from currency conversions is not significant. The foreign currency financial instruments are short-term in nature and do not give rise to significant foreign currency risk.

(Tabular amounts expressed in thousands of dollars)

18. Budget:

The original budget, as approved by the Board on October 07, 2025, has been adjusted to reflect changes made to sector allocations for various programs and services and the refinement of allocation between accounts. The changes are as follows:

	Original Budget	Reallocations	Restated Budget
Revenues:			
Provincial government sources	$ 4,043,133	$ (4,043,133)	$ -
Non-provincial government sources	248,141	(248,141)	-
Ministry of Health contributions	-	3,512,709	3,512,709
Medical Services Plan	-	332,137	332,137
Patients, clients and residents	-	144,882	144,882
Amortization of deferred capital contributions	-	114,907	114,907
Recoveries from other health authorities and BC government reporting entities	-	84,260	84,260
Other contributions	-	51,154	51,154
Other	-	40,601	40,601
Interest	-	10,624	10,624
	4,291,274	-	4,291,274
Expenses:			
Acute	2,477,750	-	2,477,750
Long-term care	675,218	-	675,218
Community care	499,168	-	499,168
Corporate	283,784	-	283,784
Mental health and substance use	334,979	-	334,979
Population health and wellness	115,975	-	115,975
	4,386,874	-	4,386,874
Annual Deficit	$ (95,600)	$ -	$ (95,600)

19. Contractual rights:

Interior Health has entered into various contracts for rental revenue within the normal course of operations. The estimated contractual rights under these contracts for the years ending March 31 are as follows:

2027	$ 755
2028	299
2029	141
	$ 1,195

20. Subsequent event:

Subsequent to March 31, 2026, the Province of British Columbia announced further health system administrative restructuring through the creation of BC Shared Health Services, a provincial shared services organization intended to consolidate certain non-clinical support functions currently delivered across health authorities. Public communications indicate the anticipated scope will include selected functions within legal, supply chain, finance, human resources, data and analytics, health system planning, digital communications, and information management/information technology functions.

The Authority is continuing to assess the implications of this transition, including scope, implementation timing, governance, and any associated financial impacts. At this time, the financial effect cannot be reasonably estimated.