Financial Statements of

BRITISH COLUMBIA EMERGENCY HEALTH SERVICES

Year ended March 31, 2026

BCEHS | BC Emergency Health Services
Provincial Health Services Authority

Statement of Management Responsibility

The financial statements of the British Columbia Emergency Health Services (the "Corporation") were prepared by management in accordance with the financial reporting framework disclosed in note 1(a) to these financial statements, and include amounts based upon management's best estimates and judgments. The accounting principles of the financial reporting framework were consistently applied. In management's opinion, the financial statements have been properly prepared within the framework of the accounting policies summarized in the financial statements and incorporate, within reasonable limits of materiality, all information available at June 9, 2026.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded and that reliable financial information is available on a timely basis. These systems include formal written policies and procedures, careful selection and training of qualified personnel, and appropriate delegation of authority and segregation of responsibilities within the organization.

The Board of Directors provides oversight in the fulfillment by management of these responsibilities. The Board of Directors, comprising directors who are not employees, meets with management, internal assurance staff and external auditors with regard to the proper discharge of management's responsibilities with respect to financial statement presentation, disclosure and recommendations on internal control.

The internal assurance function independently evaluates the effectiveness of these internal controls on an ongoing basis and reports its findings to management and the Board of Directors.

The financial statements have been examined by the Auditor General of British Columbia, the Corporation's independent external auditors. The external auditors conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their Auditor's Report, which follows, outlines the scope of their examination and their opinion.

Dr. Leanne Heppell
Executive Vice President and Chief
Ambulance Officer

Paul Mochrie
President and Chief Executive Officer
Provincial Health Services Authority

Michael Lord
Vice President, Finance and Business
Operations & Chief Financial Officer
Provincial Health Services Authority

Vancouver, BC
June 9, 2026

Office of the
Auditor General
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Independent Auditor's Report

To the Board of Directors of British Columbia Emergency Health Services, and
To the Minister of Health, Province of British Columbia

Qualified opinion

I have audited the accompanying financial statements of British Columbia Emergency Health Services ("the entity"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations and accumulated deficit, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the Basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2026, and the results of its operations, change in its net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for qualified opinion

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

As described in Note 1(a) to the Financial Statements, the entity's accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized. The entity was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

Under Canadian public sector accounting standards, the entity's method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion, certain contributions of the entity do not meet the definition of a liability, and as such the entity's method of accounting for those contributions represents a departure from Canadian public sector accounting standards.

This departure has existed since the inception of the standard in 2012. As of March 31, 2026, the liability for deferred capital contributions is overstated by $120 million, the annual deficit and the accumulated deficit are understated by $120 million, and revenue is understated by $120 million. This represents the cumulative impact of this departure over time. Of this cumulative amount, $26 million represents the understatement of revenue and corresponding understatement of annual surplus in the current fiscal year.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the 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 when the entity will continue its operations for the foreseeable future.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the entity's 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 my 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

B Parrish

Bridget Parrish, CPA, CA
Auditor General of British Columbia

Victoria, British Columbia, Canada
June 9, 2026

BRITISH COLUMBIA EMERGENCY HEALTH SERVICES

Statement of Financial Position
(Amounts expressed in thousands of dollars)

As at March 31, 2026

		2026		2025
Financial assets				
Cash and cash equivalents	$	4,490	$	3,589
Accounts receivable (note 2)		127,522		91,970
		132,012		95,559
Liabilities				
Accounts payable and accrued liabilities (note 3)		139,617		112,765
Deferred research and designated contributions		127		128
Retirement allowance (note 4(a))		4,539		4,038
Deferred capital contributions (note 5)		121,098		95,367
Asset retirement obligation (note 6)		1,758		1,628
		267,139		213,926
Net debt	$	(135,127)	$	(118,367)
Non-financial assets				
Tangible capital assets (note 7)	$	121,979	$	96,447
Prepaid expenses		12,112		20,884
		134,091		117,331
Accumulated deficit	$	(1,036)	$	(1,036)

Commitments and contingencies (note 8)

See accompanying notes to financial statements.

Approved on behalf of the Board:

Director and Chair of the Board,
Elizabeth Cull

Director,
Doug LePard

BRITISH COLUMBIA EMERGENCY HEALTH SERVICES

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

Year ended March 31, 2026

	2026 Budget (note 1(k))	2026	2025
Revenues:			
Provincial Health Services Authority contributions	$ 1,040,032	$ 1,078,780	$ 1,034,241
Recoveries from other health authorities and BC government reporting entities	22,386	28,061	26,372
Amortization of deferred capital contributions (note 5)	21,895	20,374	20,780
Other revenues (note 9(a))	3,484	12,911	10,616
Medical Services Plan	-	320	351
Research and designated contributions	-	214	-
	1,087,797	1,140,660	1,092,360
Expenses (note 9(b)):			
Acute	1,000,307	1,060,723	998,767
Corporate	52,634	54,559	68,008
Community care	34,856	25,378	25,585
	1,087,797	1,140,660	1,092,360
Annual deficit	$ -	$ -	$ -
Accumulated deficit, beginning of year	(1,036)	(1,036)	(1,036)
Accumulated deficit, end of year	$ (1,036)	$ (1,036)	$ (1,036)

See accompanying notes to financial statements.

BRITISH COLUMBIA EMERGENCY HEALTH SERVICES

Statement of Changes in Net Debt
(Amounts expressed in thousands of dollars)

Year ended March 31, 2026

	2026 Budget (note 1(k))	2026	2025
Annual deficit	$ -	$ -	$ -
Acquisition of tangible capital assets	(55,329)	(44,498)	(33,801)
Amortization of tangible capital assets	21,895	20,334	20,637
Revaluation of asset retirement obligation	-	(81)	(121)
Transfer of tangible capital assets from PHSA	-	(1,399)	-
Net book value of disposed tangible capital assets	-	112	257
	(33,434)	(25,532)	(13,028)
Acquisition of prepaid expenses	-	(105,829)	(128,835)
Use of prepaid expenses	-	114,601	110,765
	-	8,772	(18,070)
Increase in net debt	(33,434)	(16,760)	(31,098)
Net debt, beginning of year	(118,367)	(118,367)	(87,269)
Net debt, end of year	$ (151,801)	$ (135,127)	$ (118,367)

See accompanying notes to financial statements.

BRITISH COLUMBIA EMERGENCY HEALTH SERVICES

Statement of Cash Flows
(Amounts expressed in thousands of dollars)

Year ended March 31, 2026

	2026	2025
Cash flows from (used in) operating activities:		
Annual deficit	$ -	$ -
Items not involving cash:		
Amortization of deferred capital contributions	(20,374)	(20,780)
Amortization of tangible capital assets	20,334	20,637
Accretion of asset retirement obligation	49	42
Net book value of disposed tangible capital assets	112	257
Retirement allowance expense	694	446
	815	602
Net change in non-cash operating items (note 10)	71	1,199
Retirement allowance benefits paid	(193)	(151)
Net change in cash from operating activities	693	1,650
Capital activities:		
Acquisition of tangible capital assets	(44,498)	(33,801)
Net change in cash (used in) capital activities	(44,498)	(33,801)
Financing activities:		
Capital contributions	44,706	33,826
Net change in cash from financing activities	44,706	33,826
Increase in cash and cash equivalents	901	1,675
Cash and cash equivalents, beginning of year	3,589	1,914
Cash and cash equivalents, end of year	$ 4,490	$ 3,589

Supplementary cash flow information (note 10)

See accompanying notes to financial statements.

The British Columbia Emergency Health Services (the "Corporation"), formerly the Emergency and Health Services Commission ("EHSC"), was established as a corporation on April 1, 2013 by Bill 7 – 2013, *Emergency and Health Services Amendment Act, 2013*.

The Corporation is a member of the Provincial Health Services Authority ("PHSA" or the "Authority"), which was created under the *Society Act of British Columbia* on December 12, 2001 with a Board of Directors appointed by the Ministry of Health (the "Ministry"). PHSA is one of six health authorities in British Columbia ("BC"). Effective April 1, 2011, the financial operations of the EHSC were transferred to the Authority to align BC's pre-hospital services with the healthcare system.

The Corporation is dependent on the Ministry to provide sufficient funds to continue operations, replace essential equipment and complete its capital projects. The Corporation is a not-for-profit organization under the *Income Tax Act* and, as such, is exempt from income and capital taxes.

The Corporation has a mandate of providing provincial ambulance and emergency health services. The Corporation oversees BC Ambulance Service, BC Patient Transfer Network and Community Paramedicine.

1. Significant accounting policies:

(a) Basis of accounting:

The financial statements have been prepared in accordance with 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 tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards ("PSAS") issued by the Public Sector Accounting Board ("PSAB") without any PS 4200 series.

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

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 that amortization of the related tangible capital asset is recorded. 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 or deferred research and designated contributions, and recognized in revenue in the year in which the stipulation or restriction on the contributions has been met by the Corporation.

For BC tax-payer 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 require 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 in accordance with PS 3410, *Government Transfers*;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified, in accordance with PS 3100, *Restricted Assets and Revenues*; and
- deferred contributions meet liability criteria in accordance with PS 3200, *Liabilities*.

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

1. Significant accounting policies (continued):

(b) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand.

(c) Accounts receivable:

Accounts receivable are recorded at amortized cost less an amount for valuation allowance. 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 valuation allowance are recognized in the statement of operations and accumulated deficit.

(d) 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 on 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 benefits is 12 years (2025 – 11 years). Actuarial gains and losses on event-driven benefits such as long-term disability and health and welfare benefits that do not vest or accumulate are recognized immediately.

The discount rate used to measure the obligations is based on the Province of BC's cost of borrowing, if there are no plan assets. Where there are plan assets, the discount rate is the rate of return on 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 they become payable.

1. Significant accounting policies (continued):

(d) Employee benefits (continued):

(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 Corporation to pay benefits occurs.

(e) Asset retirement obligation:

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

- There is 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.

The obligation is measured at the best estimate of future cash flows required to settle the liability. The liability is discounted using a present value calculation and adjusted annually for accretion expense. At each reporting date, the Corporation reviews its asset retirement obligations to reflect current best estimates. Asset retirement obligations are adjusted for changes in factors such as the amount or timing of the expected underlying cash flows, or discount rates.

The estimated asset retirement cost is capitalized as part of the carrying value of the related tangible capital asset and is amortized over the life of the asset in accordance with the accounting policies outlined in note 1(f). Changes resulting from the revisions to estimates at each reporting period are accounted for as part of the carrying amount of the related tangible capital asset. The estimated asset retirement costs for fully depreciated assets are expensed.

(f) 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.

1. Significant accounting policies (continued):

(f) Non-financial assets (continued):

(i) Tangible capital assets (continued):

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:

Asset	Basis
Buildings	15 – 50 years
Equipment	3 – 20 years
Information systems	3 – 5 years
Leasehold improvements	Lease term to a maximum of 20 years
Vehicles	4 – 7 years

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 Corporation'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 and accumulated deficit. 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) Prepaid expenses:

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

(g) Revenue recognition:

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

1. Significant accounting policies (continued):

(g) Revenue recognition (continued):

Revenue from transactions with performance obligations is recognized at a point in time or over a period of time when the Corporation satisfies the individual performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor. This includes recoveries from other Health Authorities and BC government reporting entities for sales of good and services. Revenue with performance obligations is measured at the transaction price.

Revenue related to fees or services received in advance of the performance obligations being satisfied are deferred and recognized when the fees are earned or services are performed.

Revenue from transactions without performance obligations is recognized at realizable value when the Corporation has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

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).

Volunteers contribute a significant amount of their time each year to assist the Corporation in carrying out its programs and services. Contributed services are not recognized in these financial statements.

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

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

(h) 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.

Significant areas requiring the use of estimates include the valuation of accounts receivable, the estimated useful lives of tangible capital assets, contingent liabilities and the future costs to settle employee benefit obligations.

1. Significant accounting policies (continued):

(h) Measurement uncertainty (continued):

Asset retirement obligation requires estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs due to the long-term nature of the liabilities.

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.

(i) Foreign currency translation:

The Corporation's functional currency is the Canadian dollar. The Corporation does not have significant transactions denominated in foreign currencies.

(j) 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.

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 valuation allowance. All other financial liabilities are recorded using cost or amortized cost.

Interest and dividends attributable to financial instruments are reported in the statement of operations and accumulated deficit.

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 and accumulated deficit.

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.

(Amounts expressed in thousands of dollars)

1. Significant accounting policies (continued):

(j) Financial instruments (continued):

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 Corporation’s normal purchase, sale or usage requirements are not recognized as financial assets or financial liabilities.

(k) Budget figures:

Budget figures have been provided for comparative purposes and have been derived from the Corporation’s Fiscal 2025/2026 Budget approved by the Board of Directors. The budget is reflected in the statement of operations and accumulated deficit and the statement of changes in net debt.

(l) 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 PS 1201 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. The Corporation is currently evaluating the impact of this new standard. The financial impact, if any, will be reflected in the period the standard is adopted.

2. Accounts receivable:

	2026	2025
Provincial Health Services Authority	$ 118,024	$ 82,031
Other health authorities and BC government reporting entities	26,832	22,047
Federal government	2,423	3,499
Ministry of Health	50	48
Foundations and auxiliaries	1	4
Other	4,803	3,672
	152,133	111,301
Allowance for doubtful accounts	(24,611)	(19,331)
	$ 127,522	$ 91,970

(Amounts expressed in thousands of dollars)

3. Accounts payable and accrued liabilities:

		2026		2025
Salaries and benefits payable	$	92,648	$	74,742
Trade accounts payable and accrued liabilities		29,905		22,249
Accrued vacation pay		17,064		15,774
	$	139,617	$	112,765

4. Employee benefits:

(a) Retirement allowance:

Certain employees with ten or more 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 Corporation'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. The next expected valuation will be as of December 31, 2027.

Information about retirement allowance benefits is as follows:

		2026		2025
Accrued benefit obligation:				
Severance benefits	$	4,859	$	4,457
Sick leave benefits		946		941
		5,805		5,398
Unamortized actuarial loss		(1,266)		(1,360)
Accrued benefit liability	$	4,539	$	4,038

(Amounts expressed in thousands of dollars)

4. Employee benefits (continued):

(a) Retirement allowance (continued):

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	$	4,038	$	3,743
Net benefit expense:				
Current service cost		391		266
Interest expense		198		156
Amortization of actuarial loss		103		24
Plan amendment		2		-
Net benefit expense		694		446
Benefits paid		(193)		(151)
Accrued benefit liability, end of year	$	4,539	$	4,038

The significant actuarial assumptions adopted in measuring the Corporation'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	3.00%	2.50%
Benefit costs for years ended March 31:		
Discount rate	3.60%	3.49%
Rate of compensation increase	2.50%	2.50%

4. Employee benefits (continued):

(b) Healthcare Benefit Trust benefits:

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

The Trust is a multiple employer plan with respect to long-term disability benefits initiated after September 30, 1997 and health and welfare benefits after December 31, 2014. The assets and liabilities for these long-term disability and health and welfare benefits have been segregated for PHSA, but not for individual programs and services of PHSA. Accordingly, the Corporation participates in a multi-employer defined benefit plan for long-term disability and health and welfare benefits that is now restricted to members of PHSA.

The most recent actuarial valuation for the PHSA plan at December 31, 2025 extrapolated to March 31, 2026 indicated a surplus of $31,839 (2025 – $45,585). Contributions of $30,476 (2025 – $28,710) were expensed during the year. The PHSA plan covers approximately 19,400 active employees, of which approximately 6,700 are employees of the Corporation (2025 – 6,000). The next expected valuation will be as of December 31, 2026.

(c) Employee pension benefits:

The Corporation 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*, and to the Ambulance Paramedics of British Columbia – C.U.P.E. Local 873 Supplemental Pension Plan.

Employer contributions to the Municipal Pension Plan of $4,087 (2025 – $3,933) 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 funding 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 525 are employees of the Corporation (2025 – 533). The next expected valuation will be as of December 31, 2027.

Employer contributions to the Public Service Pension Plan of $45,221 (2025 – $42,184) 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 funding 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 5,480 are employees of the Corporation (2025 – 5,099). The next actuarial valuation will be as of March 31, 2026, with results available in 2027.

(Amounts expressed in thousands of dollars)

4. Employee benefits (continued):

(c) Employee pension benefits (continued):

The Ambulance Paramedics of British Columbia – C.U.P.E. Local 873 Supplemental Pension Plan is a single employer defined contribution plan. Employer contributions to the Ambulance Paramedics of British Columbia – C.U.P.E. Local 873 Supplemental Pension Plan of $11,532 were expensed during the year (2025 – $8,954). As at March 31, 2026, the plan covered approximately 3,357 (2025 – 3,178) active members, all of which are employees of the Corporation.

5. 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	$	95,367	$	82,321
Capital contributions received:				
Provincial Health Services Authority		44,706		32,844
Other		-		982
		44,706		33,826
Transfer of tangible capital assets from PHSA		1,399		-
Amortization for the year		(20,374)		(20,780)
Deferred capital contributions, end of year	$	121,098	$	95,367

Deferred capital contributions comprise the following:

		2026		2025
Contributions used to purchase tangible capital assets	$	119,697	$	94,170
Unspent contributions		1,401		1,197
	$	121,098	$	95,367

(Amounts expressed in thousands of dollars)

6. Asset retirement obligation:

The Corporation has recognized asset retirement obligations representing the estimated cost to settle obligations related to leased and owned premises at future dates as follows:

(a) Asbestos obligation:

The Corporation owns and operates several buildings that are known to contain asbestos which represents a health hazard upon renovation or demolition of the buildings. Provincial regulations require asbestos to be removed in a prescribed manner when the building is demolished. The Corporation recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings. The asset retirement obligations capitalized in respect of building asbestos are amortized over the remaining useful life of the buildings. The buildings have an estimated useful life of 15 – 50 years from the date of construction, of which the remaining useful lives vary. The settlement of these obligations will occur when the buildings undergo major renovations or demolition.

(b) Leasehold restoration obligation:

The Corporation has entered into several lease agreements for facilities in which there is a legal obligation to decommission any leasehold improvements constructed or installed by the Corporation at the end of the lease term. The Corporation has recognized asset retirement obligations representing the estimated cost to decommission any leasehold improvements and restore the leased premises to its original state at a future date. The asset retirement obligations capitalized in respect of leasehold improvements are amortized over the lease term. The lease agreements have various terms ranging from 1 – 20 years, of which various lease years remain. The settlement of these obligations will occur at the expiry of the leases.

The value of the obligations is management's best estimate determined by discounting the estimated cash outflows to the present value over the term to expected settlement, using a discount rate of 3.73% (2025 – 3.60%). Estimated future cash flows are adjusted for an inflation factor of 2.00% (2025 – 2.00%).

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

Asset Retirement Obligation	Asbestos remediation	Leasehold restoration	Balance at March 31,2026
Opening balance	$ 680	$ 948	$ 1,628
Accretion expense	15	34	49
Changes in estimate	(7)	88	81
Closing balance	$ 688	$ 1,070	$ 1,758

(Amounts expressed in thousands of dollars)

6. Asset retirement obligation (continued):

Asset Retirement Obligation	Asbestos remediation	Leasehold restoration	Balance at March 31, 2025
Opening balance	$ 673	$ 792	$ 1,465
Accretion expense	14	28	42
Changes in estimate	(7)	128	121
Closing balance	$ 680	$ 948	$ 1,628

7. Tangible capital assets:

Cost	2025	Additions	Disposals	Transfers	2026
Land	$ 1,837	$ -	$ -	$ -	$ 1,837
Buildings	9,201	-	-	977	10,178
Equipment	59,695	2,911	(10)	2,406	65,002
Information systems	22,326	273	-	-	22,599
Leasehold improvements	22,990	88	-	2,109	25,187
Vehicles	139,452	23,019	(6,730)	201	155,942
Construction in progress	3,568	18,288	-	(3,602)	18,254
Equipment and information systems in progress	204	-	-	-	204
Total	$ 259,273	$ 44,579	$ (6,740)	$ 2,091	$ 299,203

Accumulated amortization	2025	Amortization	Disposals	Transfers	2026
Buildings	$ 4,796	$ 278	$ -	$ -	$ 5,074
Equipment	42,790	4,503	(10)	692	47,975
Information systems	20,783	406	-	-	21,189
Leasehold improvements	16,304	1,516	-	-	17,820
Vehicles	78,153	13,631	(6,618)	-	85,166
Total	$ 162,826	$ 20,334	$ (6,628)	$ 692	$ 177,224

(Amounts expressed in thousands of dollars)

7. Tangible capital assets (continued):

Cost	2024	Additions	Disposals	Transfers	2025
Land	$ 1,837	$ -	$ -	$ -	$ 1,837
Buildings	9,201	-	-	-	9,201
Equipment	52,751	6,704	-	240	59,695
Information systems	21,606	351	-	369	22,326
Leasehold improvements	17,734	128	-	5,128	22,990
Vehicles	126,265	18,921	(5,871)	137	139,452
Construction in progress	1,390	7,683	-	(5,505)	3,568
Equipment and information systems in progress	438	135	-	(369)	204
Total	$ 231,222	$ 33,922	$ (5,871)	$ -	$ 259,273

Accumulated amortization	2024	Amortization	Disposals	Transfers	2025
Buildings	$ 4,518	$ 278	$ -	$ -	$ 4,796
Equipment	34,955	7,835	-	-	42,790
Information systems	20,410	373	-	-	20,783
Leasehold improvements	16,005	299	-	-	16,304
Vehicles	71,915	11,852	(5,614)	-	78,153
Total	$ 147,803	$ 20,637	$ (5,614)	$ -	$ 162,826

Net book value	2026	2025
Land	$ 1,837	$ 1,837
Buildings	5,104	4,405
Equipment	17,027	16,905
Information systems	1,410	1,543
Leasehold improvements	7,367	6,686
Vehicles	70,776	61,299
Construction in progress	18,254	3,568
Equipment and information systems in progress	204	204
Total	$ 121,979	$ 96,447

(Amounts expressed in thousands of dollars)

7. Tangible capital assets (continued):

Tangible capital assets are funded as follows:

	2026	2025
Deferred capital contributions	$ 119,697	$ 94,170
Internally funded	2,282	2,277
Tangible capital assets	$ 121,979	$ 96,447

8. Commitments and contingencies:

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

As at March 31, 2026, the Corporation had outstanding commitments for construction, equipment and information systems in progress of $25,587 (2025 - $34,961).

(b) Contractual obligations:

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

2027	$ 118,860
2028	97,438
2029	97,270
2030	93,758
2031	95,204
Thereafter	225,775
	$ 728,305

(c) Operating leases:

The aggregate minimum future annual rentals under operating leases are as follows:

2027	$ 11,165
2028	9,641
2029	7,885
2030	6,934
2031	4,602
Thereafter	16,198
	$ 56,425

(Amounts expressed in thousands of dollars)

8. Commitments and contingencies (continued):

(d) 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 Corporation'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 Corporation has valid defenses and appropriate insurance coverage in place, or if there is unfunded risk, such claims are not expected to have a material effect on the Corporation'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.

9. Statement of operations:

(a) Other revenues:

	2026	2025
Recoveries from sales of goods and services	$ 10,962	$ 8,664
Other	1,949	1,952
	$ 12,911	$ 10,616

(Amounts expressed in thousands of dollars)

9. Statement of operations (continued):

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

	2026	2025
Compensation:		
Compensation	$ 593,673	$ 551,200
Employee benefits	229,326	228,953
	822,999	780,153
Equipment and building services:		
Equipment	174,389	153,759
Rent	18,421	17,075
Building and grounds service contracts	4,510	5,372
Plant operations (utilities)	2,176	1,973
	199,496	178,179
Supplies:		
Fuel	11,466	12,753
Medical and surgical	8,536	8,791
Housekeeping and laundry	3,746	4,066
Drugs and medical gases	3,499	4,636
Printing, stationery and office	342	449
Other	9,082	8,745
	36,671	39,440
Referred-out and contracted services:		
Other health authorities and BC government reporting entities	16,523	17,087
Health and support services providers	16,426	27,282
	32,949	44,369
Sundry:		
Travel	9,502	13,238
Professional fees	4,343	5,492
Communication and data processing	3,964	3,861
Other	10,027	6,692
	27,836	29,283
Amortization of tangible capital assets	20,334	20,637
Research and designated expenses	214	-
Net book value of disposed tangible capital assets	112	257
Accretion of asset retirement obligation	49	42
	$ 1,140,660	$ 1,092,360

(Amounts expressed in thousands of dollars)

10. Supplementary cash flow information:

Net change in non-cash operating items:

	2026	2025
Accounts receivable	$ (35,552)	$ 21,512
Accounts payable and accrued liabilities	26,852	(2,371)
Deferred research and designated contributions	(1)	128
Prepaid expenses	8,772	(18,070)
	$ 71	$ 1,199

11. Related parties:

(a) BC government reporting entities:

The Corporation 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. 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.

Referred out and contracted services expenses, as outlined in note 9(b) are measured at the exchange amount, which is the amount established and agreed to by the related parties, and differs from fair market value.

The health authorities provide various services to each other relating to the provision of healthcare and other support services. The related revenues and expenses are reflected in the statement of operations and accumulated deficit and are recorded on a cost recovery basis, as the entities would have otherwise delivered the services themselves. As a result, the values recorded in the financial statements approximate fair value.

(b) Foundations:

The BC Emergency Health Services Foundation (the “Foundation”) was established to raise funds for patient care research, equipment, education, promotion of public health and other activities supporting the Corporation. The foundation is a separate legal entity incorporated under the *Society Act of British Columbia* with separate governance structure. The foundation is a charitable organization registered under 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 consolidated financial statements of the Corporation.

11. Related parties (continued):

(c) Related party transactions with PHSA:

Certain administrative, finance and accounting, and human resource services are provided to the Corporation by PHSA without charge. The costs of these services have not been recorded in the financial statements of the Corporation.

12. Risk management:

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

(a) Credit risk:

Credit risk primarily arises from the Corporation's cash and cash equivalents and accounts receivable. The risk exposure is limited to their carrying amounts at the date of the statement of financial position.

Accounts receivable primarily consist of amounts receivable from the Ministry, PHSA, other health authorities and BC government reporting entities, patients, clients and agencies, hospital foundations and auxiliaries, grantors, etc. To reduce the risk, the Corporation 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 $24,611 (2025 – $19,331).

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

(b) Liquidity risk:

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

The Corporation's principal source of funding is from the Ministry through PHSA. The Corporation 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 Corporation has complied with the external restrictions on the funding provided.

All financial assets and liabilities of the Corporation have maturities within one year.

13. Comparative Figures

Certain prior year figures have been reclassified to conform with the current year's financial statement presentation.