

FRASER VALLEY REGIONAL HOSPITAL DISTRICT BOARD

OPEN MEETING AGENDA

Thursday, April 23, 2026, 6:00 pm

In person at FVRD Boardroom, 4th Floor, or by Zoom Conference Call

45950 Cheam Avenue, Chilliwack, BC V2P 1N6

Pages

1. **LAND ACKNOWLEDGEMENT**

2. **CALL TO ORDER**

3. **APPROVAL OF AGENDA, ADDENDA AND LATE ITEMS**

All/Unweighted

MOTION FOR CONSIDERATION

THAT the Agenda, Addenda and Late Items for the Fraser Valley Regional Hospital District Board Open Meeting of April 23, 2026 be approved:

AND THAT all delegations, reports, correspondence, and other information set to the Agenda be received for information.

4. **DELEGATIONS AND PRESENTATIONS**

4.1 **2025 Audited Fraser Valley Regional Hospital District Financial Statements**

3 - 24

All/Unweighted

- Presentation by Sean Reid, Partner, KPMG Enterprise
- Staff report dated April 23, 2026 by Beth Klein, Controller/Deputy CFO
- Draft 2025 Consolidated Financial Statements
- Draft 2025 Management Representation letter

MOTION FOR CONSIDERATION

THAT the Fraser Valley Regional Hospital District approve the 2025 Audited Financial Statements of the Fraser Valley Regional Hospital District.

5. **MINUTES / MATTERS ARISING**

5.1 **Draft Fraser Valley Regional Hospital District Board Meeting Minutes -March 26, 2026**

25 - 29

All/Unweighted

MOTION FOR CONSIDERATION

THAT the Minutes of the Fraser Valley Regional Hospital District Board Open Meeting held March 26, 2026 be adopted.

6. NEW BUSINESS

6.1 Resolution from March 17, 2026 Intergovernmental Relations Committee Meeting

All/Unweighted

MOTION FOR CONSIDERATION

THAT staff be directed to explore options for utilizing Hospital District health care needs assessment funding to address provincial funding delays with respect to the Abbotsford and Chilliwack long-term care housing projects.

7. REPORTS FROM BOARD DIRECTORS

8. ADDENDA ITEMS/LATE ITEMS

9. PUBLIC QUESTION PERIOD FOR ITEMS RELEVANT TO AGENDA

IN PERSON PARTICIPATION

FVRD Board Room

ONLINE PARTICIPATION

Questions can be emailed to info@fvrd.ca before 1 pm, April 22, 2026. Alternatively, you may participate in public question period live on Zoom, by phone or computer using the Zoom information provided on the FVRD website.

10. ADJOURNMENT

All/Unweighted

MOTION FOR CONSIDERATION

THAT the Fraser Valley Regional Hospital District Board Open Meeting of April 23, 2026 be adjourned.



STAFF REPORT

To: Fraser Valley Regional Hospital District Board

Date: 2026-04-23

From: Beth Klein, Controller/Deputy CFO
1880-30

File No.

Subject: 2025 Audited Fraser Valley Regional Hospital District Financial Statements

Reviewed by: Jennifer Kinneman, Chief Administrative Officer

RECOMMENDATION

THAT the Fraser Valley Regional Hospital District approve the 2025 Audited Financial Statements of the Fraser Valley Regional Hospital District.

BACKGROUND

The 2025 Financial Statements for the Fraser Valley Regional Hospital District (FVRHD) have been audited by **KPMG, the FVRHD's appointed independent auditor**. The audit process began with an interim audit in December 2025 for items recorded or completed by November 30, 2025 and resumed in March 2026 after all 2025 entries had been completed.

During the audit, staff worked with the KPMG team to review processes (manual and automated), test entries ensuring compliance with accounting standards, and review comparables to budget and prior years.

DISCUSSION

Representatives from KPMG are presenting the results of the 2025 audit for the Boards consideration, prior to approving the 2025 Financial Statements. **The FVRHD's 2025 Draft Financial Statements are attached to this report for review, and copies of the final version will be available for inspection by the public on the Regional District's website after approval by the Board.**

The 2025 Financial Statements accurately reflect the financial position of the FVRHD as at December 31, 2025 and the audit determined there were no changes to processes required or adjustments required to the staff presented financial statements.

Financial Statement Review

The FVRHD's Financial Position statement demonstrates a strong financial position with continued growth in net financial assets, being well positioned to fund capital commitments without immediate additional borrowing. Over the past few years, staff have kept the FVRHD's investment portfolio highly liquid as the expected cash outflows on previously committed projects were not yet known. Due to the requirement for liquidity, the driver of the increase from 2024 is seen in Cash and Cash Equivalents.

Overall, funds available for operational use remain consistent with 2024. As demonstrated in Restricted Assets (Note 8) and Reserve Funds (Note 9) the following is allocated for future capital projects:

Minor/Medium Equipment: \$856k

Major Capital Projects: \$71M

COST

There are no further costs associated with the report's recommendation and the costs of the annual external audit are within the budget.

CONCLUSION

The 2025 Audited Financial Statements are being presented to the Fraser Valley Regional Hospital District's Board for approval following the completion of an audit by KPMG.

FRASER VALLEY REGIONAL HOSPITAL DISTRICT

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

DRAFT

**Fraser Valley Regional Hospital District
Management's Responsibility for Financial Reporting**

For the year ended December 31st, 2025

The financial statements have been prepared by management in accordance with Public Sector Accounting Standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is 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 fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Board. The Board reviews the external financial statements on an annual basis.

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 includes a review and evaluation of the Regional Hospital District's system of internal controls and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to financial management of the Regional Hospital District and meet when required.

On behalf of the Fraser Valley Regional Hospital District

Beth Klein, CPA
Controller/Deputy Chief Financial Officer



KPMG LLP
45890 Hocking Ave Suite 302
Chilliwack, BC V2P 1B4
Canada
Tel 604 793 4700
Fax 604 793 4747

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Fraser Valley Regional Hospital District

Opinion

We have audited the consolidated financial statements of Fraser Valley Regional Hospital District (the District), which comprise:

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of financial activities for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2025, its consolidated results of financial activities, its consolidated changes in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s report.

We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants

Chilliwack, Canada

**Fraser Valley Regional Hospital District
Consolidated Statement of Financial Position**

For the year ended December 31 **2025** 2024

Financial Assets

Cash and Cash Equivalents (Note 1)	\$	46,994,442	\$	39,217,599
Accounts Receivable (Note 2)		131,021		119,666
MFA Debt Reserve Cash (Note 3)		983,817		955,214
Accrued Interest		950,091		655,216
Investments (Note 4)		29,856,505		28,740,763
		78,915,876		69,688,458

Financial Liabilities

Accounts Payable (Note 5)		4,607,925		15,245
Debenture Debt (Note 6)		9,135,971		12,939,761
		13,743,896		12,955,006

Net Financial Assets	\$	65,171,980	\$	56,733,452
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Non-financial Assets

Tangible Capital Assets (Note 7)		5,860,180		5,875,091
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Accumulated Surplus	\$	71,032,160	\$	62,608,543
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Commitments (Note 10)

Beth Klein, Controller/Deputy Chief Financial Officer

**Fraser Valley Regional Hospital District
Consolidated Statement of Operations and Surplus**

For the year ended December 31	Budget 2025	Actual 2025	Actual 2024
Revenues			
Requisition from members and participants	\$ 15,753,045	\$ 15,753,045	\$ 13,698,300
Investment income	2,190,000	2,540,074	3,028,279
Grants in lieu of taxes	130,000	159,973	145,197
Miscellaneous revenue	65,000	98,490	74,902
Interest on MFA cash reserve	-	28,603	32,143
Total Revenues	18,138,045	18,580,186	16,978,821
Expenses:			
Transfer to Fraser Health Authority	36,600,000	9,585,328	3,224,000
Interest on long term debt (actuarial gain)	1,325,400	(172,533)	(289,834)
Administration charge	790,000	672,300	594,500
Operating expenses	377,000	56,563	48,180
Amortization	-	14,911	14,911
Total Expenses	39,092,400	10,156,569	3,591,757
Annual Surplus (deficit)	\$ (20,954,355)	\$ 8,423,617	\$ 13,387,064
Accumulated Surplus, beginning of year	\$ 62,608,543	\$ 62,608,543	\$ 49,221,479
Accumulated Surplus, end of year	\$ 41,654,188	\$ 71,032,160	\$ 62,608,543

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Fraser Valley Regional District Hospital
Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31 **2025** 2024

Annual Surplus	\$ 8,423,617	\$ 13,387,064
Amortization of tangible capital assets (Note 7)	14,911	14,911
Change in net financial assets	8,438,528	13,401,975
Net Financial Assets, beginning of year	\$ 56,733,452	\$ 43,331,477
Net Financial Assets, end of year	\$ 65,171,980	\$ 56,733,452

Represented by:

Current Fund (Note 8)	2,086,477	2,150,730
Reserve Funds (Note 9)	72,221,474	67,522,483
Amount to be recovered from future requisitions	(9,135,971)	(12,939,761)
	\$ 65,171,980	\$ 56,733,452

Fraser Valley Regional District Hospital
Consolidated Statement of Cash Flows

For the year ended December 31	2025	2024
Operations		
Annual Surplus	\$ 8,423,617	\$ 13,387,064
Items not involving cash		
Amortization of tangible capital assets	14,911	14,911
Change in non-cash operating items		
Accounts receivable and accrued interest	(334,833)	10,894
Accounts payable	4,592,680	(43,376)
	12,696,375	13,369,493
Financing		
Debt principal payments	(3,803,790)	(3,662,556)
	(3,803,790)	(3,662,556)
Investing		
Increase in portfolio investments	(1,115,742)	(213,038)
	(1,115,742)	(213,038)
Increase in cash during the year	7,776,843	9,493,899
Cash and cash equivalents, beginning of year	39,217,599	29,723,700
Cash and cash equivalents, end of year	\$ 46,994,442	\$ 39,217,599

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Fraser Valley Regional Hospital District Notes to Consolidated Financial Statements

For the year ended December 31st, 2025

The Fraser Valley Regional Hospital District ("Hospital District") is a governing agency for the hospitals in the Fraser Valley region and is incorporated under the Hospital District Act. The Hospital District includes hospitals located in Hope, Chilliwack, Abbotsford, and Mission. Its principal activities are to finance capital construction projects and capital equipment purchases for health care facilities within the Fraser Valley Regional District.

Basis of Presentation	The Hospital District financial statements have been prepared in accordance with the recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants. All material inter-fund transactions have been eliminated.
Revenue and Expenditure Recognition	Requisitions from members and participants are property taxes collected on behalf of the District and are recorded in the period the taxes are levied. Investment income, grants in lieu and other income are recorded on an accrual basis in the period they are earned.
Investments	Investment's are portfolio investments recorded at cost.
Budget Amounts	Budget amounts reflect the statutory annual budget as adopted by the Board on March 27, 2025.
Use of Estimates	The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and at the date of the financial statements, and reported amounts of revenue and expenditures during the reported period. Actual results could differ from those estimates.
Administration Costs	Pursuant to Hospital District Bylaw 0087, 2025 and Section 17(2) of the Hospital District Act, administration fees of \$790,000 were budgeted to be paid by the Hospital District to the Fraser Valley Regional District. Actual values paid were reduced to \$672,300 (2024 - \$594,500).
Financial instruments	Financial instruments include cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities and debt. Cash and cash equivalents include cash, high interest savings accounts and short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Investments are comprised of non-redeemable guaranteed investment certificates, Municipal Finance Authority ("MFA") pooled funds and bonds issued by Canadian chartered banks.

Fraser Valley Regional Hospital District Notes to Consolidated Financial Statements

For the year ended December 31st, 2025

Financial instruments (cont'd) Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market and derivatives are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently measured at cost or amortized cost unless the Hospital District has elected to carry the financial instrument at fair value. The Hospital District has not elected to carry any financial instruments at fair value.

Unrealized changes in fair value would be recognized on the consolidated statement of re-measurement gains and losses. They are recorded in the consolidated statement of operations when they are realized. There are no unrealized changes in fair value as at December 31, 2025 and December 31, 2024. As a result, the Hospital District does not have a consolidated statement of re-measurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs incurred on the acquisition of financial instruments recorded at cost or amortized cost are included in the cost.

Sales and purchases of investments are recorded on the trade date.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations.

Non-Financial Assets

Non-financial assets are not available to discharge existing liability and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life – Years
Parking Lot	20

Fraser Valley Regional Hospital District
Notes to Consolidated Financial Statements

For the year ended December 31st, 2025

1 Cash and Cash Equivalents

Cash and cash equivalents include cash as well as deposits in a high-interest savings account. The Hospital District will utilize Cashable Deposits for short term or temporary investments as they are highly liquid and readily convertible to known amounts of cash.

	2025	2024
Cash	\$ 24,133,084	\$ 17,031,044
Short Term Deposits	22,861,358	22,186,555
	\$ 46,994,442	\$ 39,217,599

2 Accounts Receivable

	2025	2024
Provincial/Municipal Government	\$ 131,021	\$ 67,442
Goods & Services Tax Rebates	-	701
Due from Fraser Valley Regional District	-	51,523
	\$ 131,021	\$ 119,666

3 Municipal Finance Authority Debt Reserve

The Fraser Valley Regional Hospital District issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, the Regional Hospital District has established a fund equal to one half the average instalment of principal and interest of debentures issued. The cash portion of the fund is equal to one percent of the total principal. The proceeds are withheld by the Municipal Finance Authority as a debt reserve fund.

The demand notes are contingent in nature and are not reflected in the accounts. The details of the cash deposits and demand notes at year end are as follows:

	2025	2024
Cash Deposits	\$ 983,817	\$ 955,214
Demand Notes	1,721,541	1,721,541
	\$ 2,705,358	\$ 2,676,755

**Fraser Valley Regional Hospital District
Notes to Consolidated Financial Statements**

For the year ended December 31st, 2025

4 Investments

	Amount	Effective Interest rate	Maturity Date
GICs			
BMO GIC	1,079,277	4.90%	June 25, 2026
CCS GIC	1,500,000	5.70%	November 30, 2026
Prospera GIC	1,500,000	5.45%	December 19, 2026
Envision Financial GIC	5,000,000	3.75%	December 20, 2026
CCS GIC	1,600,000	3.6%	February 10, 2027
CCS GIC	1,335,200	3.7%	April 26, 2027
BMO GIC	2,000,000	4.91%	May 31, 2027
Scotia Bank GIC	1,052,639	4.61%	June 25, 2027
CCS GIC	3,400,000	3.6%	May 8, 2028
VANCITY CIG	1,500,000	3.25%	May 29, 2029
MERIDIAN GIC	5,000,000	3.7%	July 16, 2029
Bonds			
BMO EXT STP	900,000	1.51%	November 6, 2028
BMO EXT STP	4,000,000	1.27%	December 21, 2030
Discount on purchase of deposit note	(10,611)		
	\$ 29,856,505		

Investments at December 31st, 2025 have a total carrying value of \$30,605,518 (2024 - \$29,206,954), consisting of investments of \$29,856,505 (2024 - \$28,740,763) and related accrued interest of \$749,013 (2024 - \$466,192). The market value of these investments at December 31st, 2025, is \$30,156,077 (2024 - \$28,667,070).

5 Accounts Payable

Amounts owing on short-term debt obligations include a Tenant Deposit connected to possible future development of the Mary Street Parking lot property the Hospital District assumed at the time of purchasing the property.

	2025	2024
Trades Payable	\$ 8,816	\$ 1,464
Due to Fraser Health Authority	4,585,328	-
Tenant Deposit	13,781	13,781
	\$ 4,607,925	\$ 15,245

**Fraser Valley Regional Hospital District
Notes to Consolidated Financial Statements**

For the year ended December 31st, 2025

6 Debenture Debt

The Fraser Valley Regional Hospital debenture debt is borrowed through the Municipal Finance Authority and is administered by the Municipal Finance Authority. Hospital debenture debt is as follows:

	2025	2024
Debentures, fixed interest at 1.53% to 4.10% due in various years through 2030.	\$ 58,725,071	\$ 58,725,071
Less sinking fund reserve	(49,589,100)	(45,785,310)
	\$ 9,135,971	\$ 12,939,761

Sinking fund instalments and interest for the next five years for debentures outstanding at December 31st, 2025 are as follows:

	Sinking Fund	Actuarial Adjustment	Total
2026	2,036,445	1,914,043	3,950,488
2027	1,137,514	995,680	2,133,194
2028	679,139	647,935	1,327,074
2029	679,139	699,400	1,378,539
2030	183,809	162,866	346,675
	\$ 4,716,046	\$ 4,419,924	\$9,135,971

Debt Servicing Schedule

Issue No.	Bylaw No.	Year of Maturity	Original Issue	Balance at December 31, 2024	Annual Debt Charges			Balance at December 31, 2025	
					Principal	Interest	Actuarial Earnings		
99	21	2027	\$ 26,768,448	\$ 3,714,984	\$ 898,930	\$ 409,557	\$ 922,139	\$ 1,893,915	
102	21	2027	12,206,623	2,481,148	458,374	476,058	340,392	1,682,382	
105	42	2029	4,750,000	1,555,971	159,514	194,750	127,761	1,268,696	
106	42	2029	10,000,000	3,275,729	335,818	410,000	268,971	2,670,940	
110	42	2030	5,000,000	1,911,929	183,809	116,500	108,082	1,620,038	
				\$58,725,071	\$12,939,761	\$2,036,445	\$1,606,865	\$1,767,345	\$9,135,971

Fraser Valley Regional Hospital District
Notes to Consolidated Financial Statements

For the year ended December 31st, 2025

7 Tangible Capital Assets

Cost	Balance at December 31, 2024	Additions	Transfers and disposals	Balance at December 31, 2025
Land	\$ 5,586,001	\$ -	\$ -	\$ 5,586,001
Land Improvements	298,230	-	-	298,230
Assets under Construction	110,152	-	-	110,152
Total	\$ 5,994,383	\$ -	\$ -	\$ 5,994,383

Accumulated Amortization	Balance at December 31, 2024	Disposals	Amortization expense	Balance at December 31, 2025
Land Improvements	\$ 119,292	\$ -	\$ 14,911	\$ 134,203
Total	\$ 119,292	\$ -	\$ 14,911	\$ 134,203

Net Book Value	Net book value December 31, 2024	Net book value December 31, 2025
Land	\$ 5,586,001	\$ 5,586,001
Land Improvements	178,938	164,027
Assets under Construction	110,152	110,152
Total	\$ 5,875,091	\$ 5,860,180

Assets under construction having a value of \$110,152 (2024 - \$110,152) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**Fraser Valley Regional Hospital District
Notes to Consolidated Financial Statements**

For the year ended December 31st, 2025

8 Restricted Assets

The Regional Hospital District has restrictions on the cash and investments available for operational use as follows:

	2025	2024
Cash and Cash Equivalents	\$46,994,442	\$39,217,599
Investments	29,856,505	28,740,763
Accrued Interest Receivable	950,091	655,216
Accounts Receivable	131,021	119,666
MFA Debt Reserve Cash receivable	983,817	955,214
	78,915,876	69,688,458
Less restrictions for reserve fund (Note 9)	(72,221,474)	(67,522,483)
Accounts Payable	(4,594,144)	(1,464)
Owing to Tenant Deposit	(13,781)	(13,781)
Funds available for operational use	\$ 2,086,477	\$ 2,150,730

9 Reserve Funds

The Regional Hospital District is empowered under Section 20(2) of the Hospital Act to assess a special levy. Funds raised for this purpose are intended to be used for financing minor and other capital costs not necessarily provided for under approved capital financing projects. Funds raised under this section and not expended at year end are carried forward to be expended in succeeding years.

The total balance in the amount has been allocated as follows:

	2025	2024
Appropriated		
Minor/Medium Equipment	\$ 856,152	\$ 215,994
Major Capital Projects	71,365,322	67,306,489
	\$ 72,221,474	\$ 67,522,483

10 Commitments

The Regional Hospital District has entered into a commitment for funding to the Fraser Health Authority in the amount of \$59.6M in capital funding for various long term projects. The Regional Hospital District will fund these commitments from cash and cash equivalents, investments, future member requisitions and borrowings.



April 23, 2026

KPMG LLP
45890 Hocking Ave
Chilliwack, BC V2P 1B4
Canada

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the consolidated financial statements (hereinafter referred to as “financial statements”) of Fraser Valley Regional Hospital District (“the District”) as at and for the period ended December 31, 2025.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated March 6, 2023, and amended on January 26, 2026, including for:
 - the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - providing you with unrestricted access to such relevant information.
 - providing you with complete responses to all enquiries made by you during the engagement.
 - providing you with additional information that you may request from us for the purpose of the engagement.
 - providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.



Fraser Valley Regional Hospital District

- such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - others where such fraud or suspected fraud could have a material effect on the financial statements.
 - all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, short sellers, or others.
 - all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
 - all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment, or disclosure, in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for, and disclosed, in accordance with the relevant financial reporting framework.



Fraser Valley Regional Hospital District

Estimates:

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Other information:

- 11) We confirm that the final version of the Annual Financing Report will be provided to you when available, and prior to issuance by the Entity, to enable you to complete your required procedures in accordance with professional standards.

Non-SEC registrants or non-reporting issuers:

- 12) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 13) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Other:

- 14) We confirm that we have provided you with a complete list of service organizations (SO) and sub-service organizations (SSO) and that the relevant complementary user entity controls (CUECs) related to each SO/SSO have been designed and implemented. For the purpose of this representation, a service organization is one as defined in CAS 402. Yours very truly,

Yours very truly,

Beth Klein, Controller/Deputy Chief Financial Officer

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

DRAFT

FRASER VALLEY REGIONAL HOSPITAL DISTRICT
BOARD MEETING
OPEN MEETING MINUTES

Thursday, March 26, 2026

6:00 pm

In person at FVRD Boardroom, 4th Floor, or by Zoom Conference Call
45950 Cheam Avenue, Chilliwack, BC V2P 1N6

Members Present: Director Sylvia Pranger, District of Kent, Chair
Director Paul Horn, City of Mission, Acting Chair
Director Peter Adamo, Electoral Area B
Director Les Barkman, City of Abbotsford
Director Cory Cassel, Electoral Area G
Director Kelly Chahal, City of Abbotsford
Director Chris Kloot, City of Chilliwack
Director Hugh Davidson, Electoral Area F
Director Bill Dickey, Electoral Area D
Director Taryn Dixon, Electoral Area H
Director Patricia Driessen, City of Abbotsford, *arrived at 6:03pm*
Director Leo Facio, Village of Harrison Hot Springs
Director Simon Gibson, City of Abbotsford
Director Jag Gill, City of Mission
Director Diane Johnson, Electoral Area A
Director Dave Loewen, City of Abbotsford
Director Jason Lum, City of Chilliwack
Director Patti MacAhonic, Electoral Area E
Director Ken Popove, City of Chilliwack
Director Nicole Read, City of Chilliwack
Director Patricia Ross, City of Abbotsford
Director Ross Siemens, City of Abbotsford
Director Victor Smith, District of Hope
Director Mel Waardenburg, Electoral Area C

Staff Present: Jennifer Kinneman, Chief Administrative Officer
Jaime Van Nes, Director of Legislative Services/Corporate Officer
Graham Daneluz, Director of Planning & Development
Tareq Islam, Director of Engineering Services
Lauren Olynick, Deputy Corporate Officer
Beth Klein, Controller/Deputy CFO
David Urban, Deputy Director of Regional Services
Bill Ozeroff, Manager of Inspection Services
Trina Douglas, Manager of Protective Services

Melissa Geddert, Manager of Integrated Planning
Sam Piper, Manager of Communications
Alison Stewart, Manager of Strategic Planning (*Zoom*)
Matthew Fang, Network Analyst II
Amanda Molloy, Administrative Manager (*recording secretary*)

Also Present: 7 members of the public were present in person, 1 member of the public was present online.

1. LAND ACKNOWLEDGEMENT

Chair Sylvia Pranger recognized the homeland of the 31 First Nation communities of the area now called the Fraser Valley Regional District.

2. CALL TO ORDER

The open meeting was called to order at 6:01pm.

3. APPROVAL OF AGENDA, ADDENDA AND LATE ITEMS

Moved By FACIO
Seconded By GIBSON

THAT the Agenda, Addenda and Late Items for the Fraser Valley Regional Hospital District Board Open Meeting of March 26, 2026 be approved:

AND THAT all delegations, reports, correspondence, and other information set to the Agenda be received for information.

CARRIED
All/Unweighted

4. MINUTES / MATTERS ARISING

4.1 Draft Fraser Valley Regional Hospital District Board Meeting Minutes - February 26, 2026

Moved By POPOVE
Seconded By CHAHAL

THAT the Minutes of the Fraser Valley Regional Hospital District Board Open Meeting held February 26, 2026 be adopted.

CARRIED
All/Unweighted

5. NEW BUSINESS

5.1 Joint Capital Working Group Update

A verbal update was provided by Jennifer Kinneman, CAO, and a meeting with the Fraser Health Authority team will be scheduled.

5.2 Fraser Valley Regional Hospital District 2026 Annual Budget No. 0090, 2026

Discussion ensued regarding how the recent provincial budget has affected social services and healthcare in the Fraser Valley Regional Hospital District communities.

Moved By HORN

Seconded By SIEMENS

THAT the Fraser Valley Regional Hospital District Board give first reading to the bylaw cited as *Fraser Valley Regional Hospital District 2026 Annual Budget Bylaw No. 0090, 2026*;

CARRIED
All/Weighted

Moved By LOEWEN

Seconded By BARKMAN

THAT the Fraser Valley Regional Hospital District Board give second and third readings to the bylaw cited as *Fraser Valley Regional Hospital District 2026 Annual Budget Bylaw No. 0090, 2026*;

CARRIED
All/Weighted

Moved By KLOOT

Seconded By MACAHONIC

THAT the Fraser Valley Regional Hospital District Board adopt the bylaw cited as *Fraser Valley Regional Hospital District 2026 Annual Budget Bylaw No. 0090, 2026*.

CARRIED
All/Weighted (2/3 Votes Cast)

5.3 Fraser Valley Regional Hospital District Capital Expenditure Bylaw No. 0091, 2026

Moved By HORN

Seconded By POPOVE

THAT the Fraser Valley Regional Hospital District Board give first reading to the bylaw cited as *Fraser Valley Regional Hospital District Capital Expenditure Bylaw No. 0091, 2026*;

Discussion ensued regarding the recent provincial budget released and the long term care projects in the member municipalities that have been significantly delayed.

Comments were offered regarding a delay of approval of the capital expenditure bylaw until the Fraser Health Authority and Fraser Valley Regional Hospital District Joint Capital Working Group meet to discuss regional priorities, resulting in the following motion being brought forward:

Moved By LUM
Seconded By HORN

THAT the Fraser Valley Regional Hospital District Board postpone consideration of *Fraser Valley Regional Hospital District Capital Expenditure Bylaw No. 0091, 2026* until after the meeting of the Joint Capital Working Group.

CARRIED
All/Unweighted

6. REPORTS FROM BOARD DIRECTORS

Director Lum requested an update at the April meeting regarding a letter the FVRHD will send to the Ministry regarding the updated pacing of regional projects due to the recent provincial budget released.

7. ADDENDA ITEMS/LATE ITEMS

No items.

8. PUBLIC QUESTION PERIOD FOR ITEMS RELEVANT TO THE AGENDA

No questions were asked online or in person and no written correspondence was received.

9. ADJOURNMENT

Moved By FACIO
Seconded By ADAMO

THAT the Fraser Valley Regional Hospital District Board Open Meeting of March 26, 2026 be adjourned.

CARRIED
All/Unweighted

The Fraser Valley Regional Hospital District Board Open Meeting of March 26, 2026 adjourned at 6:27pm.

MINUTES CERTIFIED CORRECT:

.....
Director Sylvia Pranger, Chair

.....
Corporate Officer/Deputy

