



STAFF REPORT

To: Fraser Valley Regional Hospital District Board

Date: 2025-04-24

From: Beth Klein, Controller/Deputy CFO

Subject: 2024 Fraser Valley Regional Hospital District Audited Financial Statements

Reviewed by: Kelly Lownsbrough, Director of Corporate Services & CFO
Jennifer Kinneman, CAO

RECOMMENDATION

THAT the Fraser Valley Regional Hospital District Board approve the 2024 Audited Financial Statements for the Fraser Valley Regional Hospital District.

BACKGROUND

The Financial Statements for the Fraser Valley Regional Hospital District (FVRHD) have been audited by **KPMG, the FVRHD's appointed independent auditor. Representatives from KPMG, along with Staff will be presenting the 2024 Financial Statements to the Board and reviewing the Audit Findings Report.**

The FVRHD's 2024 Audited Financial Statements are attached to this report. Copies of the final version will be available for inspection by the public on the Regional District's website subsequent to approval by the Board.

DISCUSSION

The Hospital District continues to work alongside Fraser Health Authority (FHA) on the timing of large capital projects and continued contributions to savings balances, ensuring any committed values and debt are appropriately managed. Staff continued to focus on treasury management, while ensuring a balance of required liquid investments remained throughout the year, increasing investment income by \$500K compared to 2023.

Audit Findings

KPMG has confirmed, in their 2024 Audit Findings report (AFR) attached, that the 2024 Financial Statements accurately reflect the financial position of the FVRHD as at December 31, 2024. There were three new accounting standards adopted in 2024, regarding the recording of private-public partnerships, purchased intangibles, and revenue. Although the three new standards were adopted in 2024, there were no changes to current processes. Staff are pleased to report that there were no audit findings requiring adjustments to the Financial Statements.

Financial Position

The FVRHD's Financial Assets increased by \$10M as required for near-future capital projects. Contributions for the Abbotsford long-term care project were budgeted to start in 2024 yet were delayed; therefore, staff invested liquid investments, through the MFA pooled fund, while interest rates remained elevated.

The new debt issue for the Abbotsford long-term care project was also planned for 2024 and has been delayed by one year; therefore, debt balances continue to decrease as outstanding debt payments are made.

During the creation of the 2024 budget, staff reviewed the savings account requirements over the 5-year plan. Based on the approved Reserve Fund Policy, it was recommended and supported by the FVRHD Board to re-allocate the Early Debt Retirement savings balance to the Major Capital Project savings account. This re-allocation and the 2024 increase of Accumulated Surplus of \$13.4M, ended the 2024 year with the following in Reserve funds:

Minor/Medium Equipment: \$215K

Major Capital Projects: \$67.3M

Financial Activities

In 2024, the contributions to FHA totalled \$3.2M for contributions in minor/medium capital to support healthcare needs within the region. Treasury management remained a priority in 2024 and with favourable GIC Investment rates, interest income was \$1M above budget, totalling \$3M.

COST

There are no further costs associated with the report's recommendation. The costs of the external audit are within the 2024 budget.

CONCLUSION

The 2024 Financial Statements are being presented to the Fraser Valley Regional Hospital District Board for approval following completion of a comprehensive audit by KPMG.