

---

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

For the year ended December 31<sup>st</sup>, 2024

---

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

---

Kelly Lownsbrough, CPA, CMA  
Director of Corporate Services/Chief Financial Officer

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

**For the year ended December 31**

**2024**

**2023**

**Financial Assets**

Cash and Cash Equivalents (Note 1)	\$ 39,217,599	\$ 29,723,700
Accounts Receivable (Note 2)	119,666	63,202
MFA Debt Reserve Cash (Note 3)	955,214	923,070
Accrued Interest	655,216	754,718
Investments (Note 4)	28,740,763	28,527,725
	<b>69,688,458</b>	<b>59,992,415</b>

**Financial Liabilities**

Accounts Payable (Note 5)	15,245	58,621
Debenture Debt (Note 6)	12,939,761	16,602,317
	<b>12,955,006</b>	<b>16,660,938</b>

<b>Net Financial Assets</b>	<b>\$ 56,733,452</b>	<b>\$ 43,331,477</b>
-----------------------------	----------------------	----------------------

**Non-financial Assets**

Tangible Capital Assets (Note 7)	5,875,091	5,890,002
----------------------------------	-----------	-----------

<b>Accumulated Surplus</b>	<b>\$ 62,608,543</b>	<b>\$ 49,221,479</b>
----------------------------	----------------------	----------------------

Commitments (Note 10)

\_\_\_\_\_  
Chief Financial Officer

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

<b>For the year ended December 31</b>	Budget 2024	<b>Actual 2024</b>	Actual 2023
<b>Revenues</b>			
Requisition from members and participants	\$ 13,698,300	\$ <b>13,698,300</b>	\$ 12,922,900
Investment income	2,040,000	<b>3,028,279</b>	2,543,582
Grants in lieu of taxes	130,000	<b>145,197</b>	136,441
Miscellaneous revenue	53,347	<b>74,902</b>	57,945
Interest on MFA cash reserve	-	<b>32,143</b>	27,825
Transfer from reserve funds	29,187,765	-	-
<b>Total Revenue</b>	<b>45,109,412</b>	<b>16,978,821</b>	15,688,693
<b>Expenses:</b>			
Transfer to Fraser Health Authority	34,824,000	<b>3,224,000</b>	3,224,000
Interest on long term debt (actuarial gain)	1,281,500	<b>(289,834)</b>	(241,160)
Administration charge	709,000	<b>594,500</b>	528,000
Operating expenses	377,000	<b>48,180</b>	144,303
Amortization	-	<b>14,911</b>	14,912
<b>Total Expenses</b>	<b>37,191,500</b>	<b>3,591,757</b>	3,670,055
<b>Annual Surplus</b>	<b>\$ 7,917,912</b>	<b>\$ 13,387,064</b>	\$ 12,018,638
<b>Accumulated Surplus, beginning of year</b>	<b>\$ 49,221,479</b>	<b>\$ 49,221,479</b>	\$ 37,202,841
<b>Accumulated Surplus, end of year</b>	<b>\$ 57,139,391</b>	<b>\$ 62,608,543</b>	\$ 49,221,479

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

<b>For the year ended December 31</b>	<b>2024</b>	2023
---------------------------------------	-------------	------

<b>Annual Surplus</b>	<b>\$ 13,387,064</b>	\$ 12,018,638
Amortization of tangible capital assets (Note 7)	<b>14,911</b>	14,912
<b>Change in net financial assets</b>	<b>13,401,975</b>	12,033,550

<b>Net Financial Assets, beginning of year</b>	<b>\$ 43,331,477</b>	\$ 31,297,927
--	----------------------	---------------

<b>Net Financial Assets, end of year</b>	<b>\$ 56,733,452</b>	\$ 43,331,477
--	----------------------	---------------

**Represented by:**

Current Fund (Note 8)	2,150,730	1,030,058
Reserve Funds (Note 9)	67,522,483	58,903,736
Amount to be recovered from future requisitions	(12,939,761)	(16,602,317)
	<b>\$ 56,733,452</b>	<b>\$ 43,331,477</b>

**Fraser Valley Regional District Hospital**  
**Consolidated Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2024</b>	<b>2023</b>
<b>Operations</b>		
Annual Surplus	\$ 13,387,064	\$ 12,018,638
Items not involving cash		
Amortization of tangible capital assets	14,911	14,912
Change in non-cash operating items		
Accounts receivable and accrued interest	10,894	(350,036)
Accounts payable	(43,376)	(83,559)
	<b>13,369,493</b>	<b>11,599,955</b>
<b>Financing</b>		
Debt principal payments	(3,662,556)	(3,526,584)
	<b>(3,662,556)</b>	<b>(3,526,584)</b>
<b>Investing</b>		
Increase in portfolio investments	(213,038)	(8,002,228)
	<b>(213,038)</b>	<b>(8,002,228)</b>
<b>Increase in cash during the year</b>	<b>9,493,899</b>	<b>71,143</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>29,723,700</b>	<b>29,652,557</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 39,217,599</b>	<b>\$ 29,723,700</b>

---

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

For the year ended December 31<sup>st</sup>, 2024

---

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.

<b>Basis of Presentation</b>	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.
<b>Revenue and Expenditure Recognition</b>	Accounting for all funds is done on the full accrual basis.
<b>Investments</b>	Investments are portfolio investments recorded at cost plus accrued interest, less any provisions for other than temporary impairment.
<b>Budget Amounts</b>	Budget amounts reflect the statutory annual budget as adopted by the Board on March 21, 2024.
<b>Use of Estimates</b>	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.
<b>Administration Costs</b>	Pursuant to Hospital District Bylaw 0084, 2024 and Section 17(2) of the Hospital District Act, administration fees of \$709,000 were budgeted to be paid by the Hospital District to the Fraser Valley Regional District. Actual values paid were reduced to \$594,500 (2023 - \$528,000)
<b>Financial instruments</b>	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 31<sup>st</sup>, 2024

---

**Financial instruments (con't)** 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, 2024 and December 31, 2023. 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 31<sup>st</sup>, 2024

---

### **Adoption of new accounting standards Private Public Partnerships (PS 3160)**

The FVRHD adopted *Canadian Public Sector Accounting Standard PS 3160, Public Private Partnerships* on January 1, 2024. The new accounting standard addresses the recognition, measurement, presentation, and disclosure of infrastructure procured by public sector entities through certain types of public private partnership arrangements. Management has assessed there is no impact of adopting PS 3160 for the presentation of these financial statements.

### **Purchased Intangibles (PSG-8)**

The FVRHD adopted *Public Sector Guideline PSG-8, Purchased Intangibles*, on January 1, 2024. The standard was applied on a prospective basis. PSG-8 defines purchased intangibles as identifiable non-monetary economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act. Intangibles acquired through a transfer, contribution, or inter-entity transaction, are not purchased intangibles. Management has assessed there is no impact of adopting PSG-8 for the presentation in these financial statements.

### **Revenue (PS 3400)**

The FVRHD adopted *Canadian Public Sector Accounting Standard PS 3400, Revenue*, on January 1, 2024. Under the new accounting standard, there are two categories of revenue – exchange and unilateral. If the transaction gives rise to one or more performance obligations, it is an exchange transaction. If no performance obligations are present, it is unilateral revenue. Management has assessed there is no impact of adopting PS 3400 for the presentation in these financial statements.



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

For the year ended December 31<sup>st</sup>, 2024

### 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.

	2024	2023
Cash	\$ 39,217,599	\$ 29,723,700
	<u>\$ 39,217,599</u>	<u>\$ 29,723,700</u>

### 2 Accounts Receivable

	2024	2023
Provincial/Municipal Government	\$ 67,442	\$ 60,877
Goods & Services Tax Rebates	701	2,235
Due from Fraser Valley Regional District	51,523	90
	<u>\$ 119,666</u>	<u>\$ 63,202</u>

### 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:

	2024	2023
Cash Deposits	\$ 955,214	\$ 923,070
Demand Notes	1,721,541	1,721,541
	<u>\$ 2,676,755</u>	<u>\$ 2,644,611</u>

# Fraser Valley Regional Hospital District

## Notes to Consolidated Financial Statements

For the year ended December 31<sup>st</sup>, 2024

### 4 Investments

	Amount	Effective Interest rate	Maturity Date
<b>GICs</b>			
CCS GIC	1,600,000	5.40%	February 10, 2025
CCS GIC	1,335,200	5.25%	April 25, 2025
CCS GIC	3,400,000	5.20%	May 8, 2025
BMO GIC	1,500,000	5.00%	May 29, 2025
BMO GIC	2,300,000	5.35%	July 4, 2025
Envision Financial GIC	1,586,487	5.75%	December 22, 2025
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
BMO GIC	1,079,277	4.90%	June 25, 2026
Scotia Bank GIC	1,052,639	4.61%	June 25, 2027
BMO GIC	2,000,000	4.91%	May 31, 2027
<b>Bonds</b>			
BMO EXT STP	900,000	1.51%	November 21, 2030
BMO EXT STP	4,000,000	1.27%	December 21, 2030
Discount on purchase of deposit note	(12,840)		
	<b>\$ 28,740,763</b>		

Investments at December 31<sup>st</sup>, 2024 have a total carrying value of \$29,206,954 (2023 - \$29,082,570), consisting of investments of \$28,740,763 (2023 - \$28,527,725) and related accrued interest of \$466,192 (2023 - \$554,845). The market value of these investments at December 31<sup>st</sup>, 2024 is \$28,667,070 (2023 - \$28,329,759).

### 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.

	2024	2023
Trades Payable	\$ 1,464	\$ 44,840
Tenant Deposit	13,781	13,781
	<b>\$ 15,245</b>	<b>\$ 58,621</b>

# Fraser Valley Regional Hospital District

## Notes to Consolidated Financial Statements

For the year ended December 31<sup>st</sup>, 2024

### 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:

	2024	2023
Debentures, fixed interest at 1.53% to 4.10% due in various years through 2030.	<b>\$ 58,725,071</b>	\$ 58,725,070
Less sinking fund reserve	<b>(45,785,310)</b>	(42,122,753)
	<b>\$ 12,939,761</b>	\$ 16,602,317

Sinking fund instalments and interest for the next five years for debentures outstanding at December 31<sup>st</sup>, 2024 are as follows:

	Sinking Fund	Actuarial Adjustment	Total
2025	\$ 2,036,445	\$ 1,767,345	\$ 3,803,790
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
2029 and beyond	862,948	862,266	1,725,214
	<b>\$ 7,431,630</b>	<b>\$ 6,886,669</b>	<b>\$ 14,318,299</b>

### Debt Servicing Schedule

Issue No.	Bylaw No.	Year of Maturity	Original Issue	Balance at December 31, 2023	Annual Debt Charges			Balance at December 31, 2024
					Principal	Interest	Actuarial Earnings	
99	21	2027	\$ 26,768,448	\$ 5,466,012	\$ 898,930	\$ 409,557	\$ 852,097	\$ 3,714,984
102	21	2027	12,206,623	3,252,902	458,374	476,058	313,380	2,481,148
105	42	2029	4,750,000	1,832,197	159,514	150,813	116,712	1,555,971
106	42	2029	10,000,000	3,857,256	335,818	225,000	245,710	3,275,729
110	42	2030	5,000,000	2,193,950	183,809	64,000	98,212	1,911,929
			\$58,725,071	\$16,602,317	\$2,036,445	\$1,325,428	\$1,626,111	\$12,939,761

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

For the year ended December 31<sup>st</sup>, 2024

**7 Tangible Capital Assets**

<b>Cost</b>	Balance at December 31, 2023	Additions	Transfers and disposals	Balance at December 31, 2024
Land	\$ 5,586,001	\$ -	\$ -	\$ 5,586,001
Land Improvements	298,230	-	-	298,230
Assets under Construction	110,152	-	-	110,152
<b>Total</b>	<b>\$ 5,994,383</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,994,383</b>

<b>Accumulated Amortization</b>	Balance at December 31, 2023	Disposals	Amortization expense	Balance at December 31, 2024
Land Improvements	\$ 104,381	\$ -	\$ 14,911	\$ 119,292
<b>Total</b>	<b>\$ 104,381</b>	<b>\$ -</b>	<b>\$ 14,911</b>	<b>\$ 119,292</b>

<b>Net Book Value</b>	Net book value December 31, 2023	Net book value December 31, 2024
Land	\$ 5,586,001	\$ 5,586,001
Land Improvements	193,849	178,938
Assets under Construction	110,152	110,152
<b>Total</b>	<b>\$ 5,890,002</b>	<b>\$ 5,875,091</b>

Assets under construction having a value of \$110,152 (2023 - \$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 31<sup>st</sup>, 2024

### 8 Restricted Assets

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

	2024	2023
Cash and Cash Equivalents	<b>\$39,217,599</b>	\$29,723,700
Investments	<b>28,740,763</b>	28,527,725
Accrued Interest Receivable	<b>655,216</b>	754,718
Accounts Receivable	<b>119,666</b>	63,202
MFA Debt Reserve Cash receivable	<b>955,214</b>	923,070
	<b>69,688,458</b>	59,992,415
Less restrictions for reserve fund (Note 9)	<b>(67,522,483)</b>	(58,903,736)
Trades Payable	<b>(1,464)</b>	(44,840)
Owing to Tenant Deposit	<b>(13,781)</b>	(13,781)
Funds available for operational use	<b>\$ 2,150,730</b>	\$ 1,030,058

### 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:

	2024	2023
Appropriated		
Early Debt Retirement	<b>\$ -</b>	\$ 5,538,765
Minor/Medium Equipment	<b>215,994</b>	215,994
Major Capital Projects	<b>67,306,489</b>	53,148,977
	<b>\$ 67,522,483</b>	\$ 58,903,736

The Regional Hospital District Board approved the FVRHD Reserve Fund Policy in February 2024 and contributions to the Early Debt retirement fund were transferred to the Major Capital Projects reserve fund

---

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

**For the year ended December 31<sup>st</sup>, 2024**

---

**10 Commitments**

The Regional Hospital District has entered into a commitment for funding to the Fraser Health Authority in the amount of \$62.8M 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.