

Financial Statements of

**SUNSHINE COAST REGIONAL
HOSPITAL DISTRICT**

For the Year Ended December 31, 2023

Sunshine Coast Regional Hospital District

Statement Of Financial Position

As at December 31, 2023 and 2022

	2023	2022
Financial Assets		
Cash and cash equivalents	\$ 1,203,278	\$ 706,011
Portfolio investments (Note 5)	2,930,787	3,494,763
Accounts receivable	70,473	50,592
Restricted cash: MFA debt reserve fund	235,563	228,462
	4,440,101	4,479,828
Liabilities		
Accounts payable	47,960	140,794
Long-term debt (Note 6)	3,987,128	4,901,090
	4,035,088	5,041,884
Net Financial Assets (Debt) and Accumulated Surplus (Deficit) (Note 7)	\$ 405,013	\$ (562,056)
Commitments (Note 9)		



Tina Perreault
Chief Financial Officer



Silas White
Chair

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional Hospital District

Statement Of Operations

For the Years Ended December 31, 2023 and 2022

	Fiscal Plan 2023 (Note 8)	Actual 2023	Actual 2022
Revenue			
Grants in lieu of taxes	\$ 105	\$ 81	\$ 105
Tax requisitions	1,521,079	1,521,079	1,285,224
Investment income	120,000	227,587	96,515
Other revenue (Note 6(b))	352,126	352,126	367,627
	1,993,310	2,100,873	1,749,471
Expenses			
Administration (Note 4)	35,426	35,624	39,334
Debt charges - interest	583,511	583,511	356,932
Government transfers - capital grants	2,126,830	514,559	294,775
Bank charges and interest	102	110	312
	2,745,869	1,133,804	691,353
Annual Surplus (Deficit)	(752,559)	967,069	1,058,118
Accumulated Deficit, beginning of year	(562,056)	(562,056)	(1,620,174)
Accumulated Surplus (Deficit), end of year	\$ (1,314,615)	\$ 405,013	\$ (562,056)

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional Hospital District

Statement of Change in Net Financial Assets (Debt)

For the Years Ended December 31, 2023 and 2022

	Fiscal Plan 2023 (Note 8)	2023	2022
Annual surplus (deficit)	\$ (752,559)	\$ 967,069	\$ 1,058,118
Net debt, beginning	(562,056)	(562,056)	(1,620,174)
Net Financial Assets (Debt), ending	\$ (1,314,615)	\$ 405,013	\$ (562,056)

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional Hospital District

Statement Of Cash Flows

For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating Transactions:		
Annual Surplus	\$ 967,069	\$ 1,058,118
Items not involving cash included in annual surplus:		
Increase in accounts receivable	(19,881)	(35,238)
Increase (Decrease) in accounts payable	(92,834)	113,125
Total Operating Transactions	854,354	1,136,005
Investing Transactions:		
Decrease (Increase) in portfolio investments	563,976	(262,112)
Financing Transactions:		
Repayment of long-term debt	(913,962)	(870,072)
Increase in restricted cash: MFA debt reserve fund	(7,101)	(4,991)
Total Financing Transactions	(921,063)	(875,063)
Net increase (decrease) in cash and equivalents	497,267	(1,170)
Cash and equivalents, beginning of year	706,011	707,181
Cash and equivalents, end of year	\$ 1,203,278	\$ 706,011

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2023 and 2022

1. Operations:

The Sunshine Coast Regional Hospital District is responsible for financing and funding of capital activities relating to hospital facilities on the Sunshine Coast. This includes the Sechelt Hospital and Totem Lodge.

2. Significant Accounting Policies

The preparation of the Financial Statements is the responsibility of the management of the Sunshine Coast Regional Hospital District. The accounting policies used within these statements conform to Canadian Public Sector Accounting Standards ("PSAS"). They have been prepared in accordance with current recommendations issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada

(a) Revenue recognition:

Sources of revenue are recorded on an accrual basis and recognized in the period in which they are earned.

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual tax requisitions are recorded as taxes for Hospital District services in the year they are requisitioned.

(b) Expense recognition:

Operating expenses are recognized on an accrual basis in the period in which they are incurred.

(c) Cash and cash equivalents:

Cash consists of cash on hand, cash in transit, and cash on deposit. Cash equivalents are short-term investments with an original maturity of three months or less, made to obtain a return on a temporary basis and are carried at cost.

(d) Financial Instruments

The Sunshine Coast Regional Hospital District recognizes its financial instruments when the Sunshine Coast Regional Hospital District becomes party to the contractual provisions of the financial instruments. All financial instruments are initially recorded at their fair value.

At initial recognition, the Sunshine Coast Regional Hospital District may irrevocably elect to subsequently measure any financial instrument at fair value. The Sunshine Coast Regional Hospital District has not made such an election during the year.

The Sunshine Coast Regional Hospital District subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The Sunshine Coast Regional Hospital District has not presented a

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2023 and 2022

2. Significant Accounting Policies (Continued)

(d) Financial Instruments (Continued)

statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

(e) Government Transfers

Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2023 and 2022

3. Change in Accounting Policy:

(a) Financial Instruments

Effective January 1, 2023, the Sunshine Coast Regional Hospital District adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under section PS 3450 Financial Instruments. The new section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

4. Related Party Transactions:

The Sunshine Coast Regional Hospital District is related to the Sunshine Coast Regional District since the same individuals are members of the Board of Directors of both organizations. As legislated by the Hospital District Act, the officers of the Sunshine Coast Regional Hospital District are the corresponding officers of the Sunshine Coast Regional District. Each of the Hospital District and Regional District are separate legal entities as defined by separate Letters Patent and authorized by separate legislation. In 2023, the Hospital District paid, at cost, to the Sunshine Coast Regional District an amount of \$35,624 (2022 - \$39,334) for general accounting and administration services provided to the Hospital District. These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

5. Portfolio Investments:

	2023	2022
Municipal Finance Authority ¹	\$ 791,256	\$ 753,174
Raymond James	-	904,318
Sunshine Coast Credit Union ²	763,569	1,248,252
BlueShore Financial ³	1,375,962	589,019
	\$ 2,930,787	\$ 3,494,763

¹ Municipal Finance Authority investments are pooled investment funds by which local governments in B.C. can access high-quality investments while maintaining a high degree of security and liquidity. Interest rates are variable. The average yield in 2023 was 4.94% (2022 - 1.91%).

² Investments with Sunshine Coast Credit Union consist of a money market security at an interest rate of 4.45% to maturity in 2024, recorded at cost

³ Investments with BlueShore Financial consists of money a market security at an interest rate of 5.95% to maturity in 2026 , recorded at cost.

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2023 and 2022

6. Long Term Debt:

All long term debt is issued through the Municipal Finance Authority of British Columbia. The Authority is the borrowing agent for municipalities and regional districts in the province of British Columbia. All debenture debt issued by the Municipal Finance Authority is sinking fund debt.

(a) Sinking fund debentures issued through the Municipal Finance Authority:

Issue	Interest Rate	2023	2022
102 Issued in 2007, maturing in 2027	3.90 %	\$ 3,987,128	\$ 4,901,090

Future principal repayments on existing long term debt:

2024	\$ 945,951
2025	979,059
2026	1,013,326
2027	1,048,792
	\$ 3,987,128

(b) Actuarial earnings:

Long term debt is recorded net of any sinking fund balances. Actuarial sinking fund earnings recognized in 2023 totalled \$352,126 (2022 - \$367,627).

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2023 and 2022

7. Accumulated Surplus (Deficit):

	2023	2022
Fund Balances:		
Current fund ¹	\$ 748,792	\$ 636,093
Reserve fund ²	2,178,979	2,300,277
Capital fund ³	(2,758,321)	(3,726,888)
Debt reserve funds	235,563	228,462
Accumulated Surplus (Deficit), end of year	\$ 405,013	\$ (562,056)

¹ Consists of surplus funds requisitioned to fund capital improvement projects and equipment with a value less than \$150,000.

² Consists of surplus funds requisitioned to fund capital improvement projects and equipment with a value greater than \$150,000.

³ Consists of surplus funds borrowed and/or requisitioned to fund major capital projects, less outstanding long-term debt repayable in future years. Surplus funds available to fund projects as at December 31, 2023 total \$1,228,807 (2022 - \$1,174,203).

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2023 and 2022

8. Fiscal Plan:

The 2023 Fiscal Plan was approved by the Board through the adoption of the Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 92 on March 23, 2023. The Fiscal Plan includes items not shown on the Statement Of Operations as identified below:

	2023
	Fiscal Plan
Budgeted surplus per bylaw:	\$ -
Fiscal Plan funding sources that are not revenues for accounting purposes:	
Surplus - operating carryover	(684,052)
Transfer from Section 20 reserves - carryover	(1,351,295)
Fiscal Plan expenditures that are not expenses for accounting purposes:	
Principal debt payments	913,962
Transfer to reserves	336,832
Transfer to appropriated capital surplus	31,994
Budgeted deficit per statement of operations	\$ (752,559)

9. Commitments

The Hospital District has committed, through the annual budgeting process, to fund Vancouver Coastal Health for various capital equipment purchases. It does not have any large capital facility projects committed at this time. The equipment items range in scope from minor (less than \$150,000) to major equipment (greater than \$150,000). As at December 31, 2023 the Hospital District has committed \$767,740 for minor equipment, \$844,530 for various major equipment items.