



# qathet REGIONAL HOSPITAL DISTRICT

## **Financial Statements for the year ending December 31, 2024**

Management's Responsibility for the Financial Statements

Independent Auditor's Report

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**qathet REGIONAL  
HOSPITAL DISTRICT**

### **Management's Responsibility for the Financial Statements**

The accompanying financial statements of the qathet Regional Hospital District have been prepared in accordance with the Canadian public sector accounting standards and are outlined under significant accounting policies in the notes to the financial statements. Management is responsible for the integrity and objectivity of these statements as well as the supplementary schedules. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. Management also maintains a program of proper business compliance. These systems are regularly monitored and evaluated by management.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfils its responsibility for financial reporting and internal control.

The financial statements have been audited by MNP LLP, independent external auditors appointed by the qathet Regional Hospital District. The accompanying independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the qathet Regional Hospital District's financial statements.

A handwritten signature in black ink, appearing to read 'A. Kelly', written over a horizontal line.

Chief Administrative Officer

A handwritten signature in black ink, appearing to read 'L. Smith', written over a horizontal line.

Chief Financial Officer

## Independent Auditor's Report

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To the Board of Directors of the qathet Regional Hospital District:

### Opinion

We have audited the financial statements of the qathet Regional Hospital District (the "Hospital District"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital District as at December 31, 2024, and the results of its operations, changes net financial debt and its 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 report. We are independent of the Hospital 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 Hospital 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 Hospital District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospital 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 these 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 Hospital 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 Hospital 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 Hospital 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.

We 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.

Nanaimo, British Columbia

April 29, 2025

*MNP* LLP

Chartered Professional Accountants



**qathet Regional Hospital District**  
**Statement of Financial Position**  
**As at December 31, 2024**

	2024	2023
<b>Financial Assets</b>		
Receivable from the qathet Regional District	\$ 9,083,376	\$ 7,677,481
Accounts Receivable	3,977	1,744
<b>Total Financial Assets</b>	<u>9,087,354</u>	<u>7,679,225</u>
<b>Liabilities</b>		
Accounts payable	-	286,950
Short term debt (Note 3)	-	676,810
Debenture debt (Note 4)	15,141,720	16,395,039
Accrued interest payable	258,650	195,112
Deferred revenue	167,943	163,799
Asset Retirement Obligation (Note 7, Schedule II)	142,249	516,802
<b>Total Financial Liabilities</b>	<u>15,710,562</u>	<u>18,234,512</u>
<b>Net Debt</b>	<u>(6,623,208)</u>	<u>(10,555,287)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule I)	21,358,449	22,280,722
Prepaid expenses	71,910	67,784
<b>Total Non-Financial Assets</b>	<u>21,430,359</u>	<u>22,348,505</u>
<b>Accumulated surplus (Note 6)</b>	<u>\$ 14,807,151</u>	<u>\$ 11,793,219</u>

Approved on behalf of the Board:



Chair



Chief Financial Officer

**qathet Regional Hospital District**  
**Statement of Operations**  
**For the year ended December 31, 2024**

	2024 Budget (Note 9)	2024 Actual	2023 Actual
<b>Revenue</b>			
Lease revenue	\$ 1,192,776	\$ 1,192,776	\$ 1,192,776
Tax levy	3,012,583	3,012,584	1,274,176
Insurance recovery	130,607	120,051	106,657
Interest income	248,487	414,270	330,397
Grants and other revenue	1,900	185,402	1,744
	<u>4,586,353</u>	<u>4,925,083</u>	<u>2,905,750</u>
<b>Expenses</b>			
Short term interest	10,152	9,527	27,984
Debenture interest	965,828	1,029,365	799,775
Actuarial gains (Note 4)	(322,347)	(322,348)	(276,726)
Amortization	542,630	729,144	561,087
Community grants to VCH for equipment for Powell River Community Health			
Council	427,797	222,271	1,207,363
Insurance	138,566	126,165	112,262
Other expenses	30,000	12,026	650
Administration fees (Note 8)	105,000	105,000	105,000
	<u>1,897,626</u>	<u>1,911,151</u>	<u>2,537,395</u>
<b>Annual Surplus</b>	2,688,727	3,013,932	368,355
<b>Accumulated surplus, beginning of year</b>	<u>11,793,219</u>	<u>11,793,219</u>	<u>11,424,864</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 14,481,946</u>	<u>\$ 14,807,151</u>	<u>\$ 11,793,219</u>

qathet Regional Hospital District  
Statement of Changes in Net Debt  
For the year ended December 31, 2024

	2024 Budget (Note 9)	2024 Actual	2023 Actual
<b>Annual Surplus</b>	\$ 2,688,727	\$ 3,013,932	\$ 368,355
Amortization of tangible capital assets	542,630	729,144	561,087
Recognition of asset retirement obligation	-	-	(516,802)
Settlement of asset retirement obligation	-	374,553	-
Writedown of asset retirement obligation	-	(181,424)	-
Change in prepaid expenses	-	(4,127)	(10,282)
<b>Net changes in net debt</b>	<u>3,231,357</u>	<u>3,932,079</u>	<u>402,357</u>
<b>Net debt, beginning of year</b>	<u>(10,555,287)</u>	<u>(10,555,287)</u>	<u>(10,957,644)</u>
<b>Net debt, end of year</b>	<u><u>\$ (7,323,930)</u></u>	<u><u>\$ (6,623,208)</u></u>	<u><u>\$ (10,555,287)</u></u>

**qathet Regional Hospital District**  
**Statement of Cash Flows**  
**For the year ended December 31, 2024**

	2024 Actual	2023 Actual
<b>Cash provided by (used in)</b>		
<b>Operating transactions</b>		
Annual surplus	\$ 3,013,932	\$ 368,355
Items not involving cash		
Actuarial Adjustment	(322,348)	(276,726)
Amortization	729,144	561,087
Write down of asset retirement obligations	(181,424)	-
Changes in balances		
Accounts receivable	(2,233)	105,928
Deferred revenue	4,144	9,772
Accounts Payable	(286,950)	(155,887)
Prepaid expenses	(4,127)	(10,282)
Accrued interest payable	63,538	6,346
	<u>3,013,677</u>	<u>608,593</u>
<b>Financing transactions</b>		
Repayment of short term debt	(676,810)	-
Issuance of short term debt	-	676,810
Repayment of debenture debt	(930,972)	(879,965)
Issuance of debenture debt	-	596,998
Increase in receivable from qathet Regional District	(1,405,895)	(1,002,436)
	<u>(3,013,677)</u>	<u>(608,593)</u>
Increase in cash during the year	-	-
Cash, beginning of year	-	-
Cash, end of year	<u>-</u>	<u>-</u>



**qathet Regional Hospital District  
Notes to Financial Statements  
Year ended December 31, 2024**

**1 Summary of Significant Accounting Policies**

**a) Nature of Operations**

The Hospital District administers debt for capital expenditures by qathet General Hospital and equipment grants for Powell River Community Health Council. The Hospital District is managed by the qathet Regional District who charges an administration fee for the service.

**b) Name Change**

Effective February 26, 2024 the Hospital District officially changed its name from Powell River Regional Hospital District to qathet Regional Hospital District.

**c) Financial Statements**

The Hospital District prepares its financial statements in accordance with Canadian public sector accounting standards as developed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants Canada.

**d) Tangible capital assets**

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees, financing costs and site preparation costs. Interest costs during the construction phase are not capitalized. Contributed tangible capital assets are recorded at fair value at the time of donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is put into use.

Estimated useful lives of tangible capital assets are as follows:

Land	Indefinite
Complex Care Facility	50 Years
Generator	20 Years
Asset Retirement Obligations	28 Years

Tangible capital assets purchased on behalf of and transferred to the Vancouver Coastal Health are expensed when incurred.

**e) Debenture Interest**

Debenture interest expense is recorded on the accrual basis.

**f) Revenue Recognition**

**Taxation**

Taxes are recognized as revenue in the year they are levied.

**Debenture Refund**

MFA debt reserve earns interest income and is used to pay expenses of the debt issue. Revenue is recognized when the remaining balance is returned to the Hospital District at the maturity of the underlying debt. Actuarial gains are recognized when realized.

**qathet Regional Hospital District**  
**Notes to Financial Statements**  
**Year ended December 31, 2024**

**f) Revenue Recognition (continued)**

**Other Revenue**

Revenue is recognized when earned and/or services are rendered.

**Grants In-Lieu**

Revenue is recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable.

**Lease Revenue**

Lease revenue is recognized when amounts are due. The Hospital District retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

**g) Financial Instruments**

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

At initial recognition, the Hospital District may irrevocably elect to subsequently measure any financial instrument at fair value. The Hospital District has made such an election during the year.

The 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. 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.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net measurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

The Hospital District has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses).

**qathet Regional Hospital District  
Notes to Financial Statements  
Year ended December 31, 2024**

**h) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities 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.

**i) Budget**

The Financial Plan (Budget) By-Law was adopted by the Board on March 28, 2024.

**j) Contaminated Sites**

The Hospital District is required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the standard including sites that are no longer in productive use and sites for which the Hospital District accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation, therefore no liability exists at December 31, 2024.

**k) Government Transfers**

Government transfers, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are deferred if the transfer stipulations give rise to a liability. The transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

When the Hospital District is deemed the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.

**l) Asset Retirement Obligations**

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible asset (or component thereof) at the financial statement date when there is a legal obligation for the Hospital District to incur retirement costs in relation to a tangible capital asset (or component thereof), 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 best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.



**qathet Regional Hospital District  
Notes to Financial Statements  
Year ended December 31, 2024**

**l) Asset Retirement Obligations (continued)**

At each financial reporting date, the Hospital District reviews the carrying amount of the liability. The Hospital District recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Regional District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**m) Use of Estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported results could differ from management's best estimates as additional information becomes available in the future. Areas requiring the greatest degree of estimation include useful life of tangible capital assets.

A liability for asset retirement obligation(s) reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

**n) Receivable from qathet Regional District**

The Hospital District does not maintain its own cash accounts. The qathet Regional District holds funds for the Hospital District in its cash and investment balances. Amounts receivable from the Regional District are non-interest bearing, unsecured and available on demand.

**2 Change in Accounting Policies**

**PS3400 - Revenue**

On January 1, 2024, the Hospital District adopted the Public Sector Accounting Board's (PSAB) new accounting standard PS3400, Revenue. Under the new accounting standard, there are two types of revenue transactions being exchange and non-exchange. If the transaction creates one or more performance obligations, it is an exchange transaction. If no performance obligations exist, it is a non-exchange transaction. There was no material impact on the financial statements from the adoption of this new accounting standard.

**PSG-8 - Purchased Intangibles**

Effective January 1, 2024 the Hospital District adopted Public Sector Guideline (PSG-8), Purchased Intangibles. PSG-8 defines purchased intangibles as identifiable non-monetary economic resources without physical substance acquired through and arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act. Management assessed the impact of PSG-8 and found that at present no such items meet the criteria to be recognized as a purchased intangible.



**qathet Regional Hospital District  
Notes to Financial Statements  
Year ended December 31, 2024**

**3 Short Term Debt**

The qathet Regional Hospital District entered into a short term financing loan to fund a 40% capital cost share request from Vancouver Coastal Health Authority.

The total short-term financing outstanding with the Municipal Finance Authority of British Columbia as at December 31, 2024 was Nil (2023 - \$676,810).

**4 Debenture Debt**

Issue	By-Law	Interest Rate	Maturity Date	2024	2023
127	108	3.30%	Apr 7, 2034	\$ 13,343,404	\$ 14,412,043
158	125	4.09%	Sep 23, 2032	1,252,324	1,385,998
160	125	4.97%	Oct 12, 2033	545,992	596,998
Totals				\$ 15,141,720	\$ 16,395,039

Principal payments required in the future are as follows:

Year	Amount
2025	\$ 1,002,069
2026	1,002,069
2027	1,002,069
2028	1,002,069
2029	1,002,069
Thereafter	4,701,029
Add: Estimated Actuarial Gains	5,430,347
	<u>\$ 15,141,720</u>

Debenture debt will also be reduced by actuarial gains or sinking fund deposits. In the current year, actuarial gains to reduce debenture debts totalled \$322,348 (2023 - \$276,726).

**5 MFA Debt Reserve Deposits and Demand Notes**

The Municipal Finance Authority of British Columbia (MFA) administers the debenture debt of the Hospital District. As a condition of these borrowings, 1% of the debt proceeds are withheld as a debt reserve fund. At December 31, 2024 the cash balance in the debt reserve fund was \$313,272 (2023 - \$302,730). The cash deposits held by the MFA are payable with interest to the ultimate borrower when the final obligations under the respective loan agreements are made.

The Hospital District is also required to issue non-interest bearing demand notes in connection with each debenture. As at December 31, 2024, there were notes totalling \$635,510 (2023 - \$635,510) issued by the Hospital District, which are only callable if additional requirements need to be met to maintain the level of the debt reserve funds, as such the amounts are contingent and have not been recorded in the Statement of Financial Position.

**qathet Regional Hospital District**  
**Notes to Financial Statements**  
**Year ended December 31, 2024**

**6 Accumulated Surplus**

	<b>2024</b>	<b>2023</b>
Hospital Section 20 reserve fund (a)	\$ 8,991,321	\$ 7,296,260
Investment in non-financial assets		
Tangible capital assets	\$ 21,358,449	22,280,722
Asset Retirement Obligation	\$ (142,249)	(516,802)
Debenture debt and short-term borrowings	\$ (15,141,720)	(17,071,849)
Debt recoverable from future taxation	\$ (258,650)	(195,112)
	<u>\$ 5,815,830</u>	<u>4,496,959</u>
	<u>\$ 14,807,151</u>	<u>\$ 11,793,219</u>

(a) As permitted by Section 20(3) of the Hospital District Act, funds are reserved for the purchase of equipment, minor renovations to hospitals and related studies and hospital debt. Interest earned of \$414,270 (2023 - \$330,397) on the Hospital Section 20 reserve fund balance was accumulated and recorded in the reserve fund during the year.

**7 Asset Retirement Obligations**

The Hospital District has two assets that management suspect may have been constructed or finished with hazardous materials, and the Hospital District is legally required to properly dispose of the assets, or asset components, upon their retirement. The Hospital District recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the assets. The asset retirement cost is amortized on a straight-line basis over the estimated remaining useful life of the assets.

The Hospital District estimated the amount of the liability using undiscounted future expenditures estimated to retire the tangible capital assets. The significant assumptions used to determine the best estimate of the liability include:

- Information for each asset with a potential ARO was compiled including: the estimated cost of ARO remediation, the age (or purchase date) of the asset, the useful life for depreciation purposes, the expected ARO obligation year.
- As management does not have plans to retire the assets the undiscounted estimated retirement cost was used.
- Estimates of costs to remediate the assets were derived from publicly available cost estimates, adjusted for the Hospital District's location and distance from disposal sites.

**8 Related Party**

The Hospital District pays a budgeted amount annually to the qathet Regional District to cover the administrative services performed on its behalf.

**9 Budget Figures**

The budgeted figures were adopted by the Board on March 28, 2024.

<b>Budgeted Surplus per Board approved budget</b>	<b>\$0.00</b>
Adjust for:	
Transfers to / from reserves	1,623,577
Debt principal repayment	1,607,781
Amortization	(542,630)
<b>Per Statement of Operations</b>	<u><b>\$ 2,688,728</b></u>

**qathet Regional Hospital District  
Notes to Financial Statements  
Year ended December 31, 2024**

**10 Financial Instruments**

The Hospital District, as part of its operations, carries a number of financial instruments. It is management's opinion that the Hospital District is not exposed to significant interest, currency, credit risks, other price risk, or liquidity risk arising from these financial instruments except as otherwise disclosed.

SCHEDULE I

Powell River Regional Hospital District  
Tangible Capital Assets Continuity Schedule  
Year Ended December 31, 2024

	Complex Care Facility	Generator	Land	Asset Retirement Obligation	2024 Total	2023 Total
Cost, beginning of year	\$ 26,114,336	\$ 406,857	\$ 50,000	\$ 516,802	\$ 27,087,995	\$ 26,571,193
Additions	-	-	-	-	-	516,802
ARO liabilities settled	-	-	-	(374,553)	(374,553)	-
Cost, end of year	26,114,336	406,857	50,000	142,249	26,713,443	27,087,995
Accumulated amortization, beginning of year	(4,609,121)	(179,695)	-	(18,457)	(4,807,274)	(4,246,187)
Amortization	(522,287)	(20,343)	-	(5,090)	(547,720)	(561,087)
Accumulated amortization, end of year	(5,131,409)	(200,038)	-	(23,547)	(5,354,994)	(4,807,274)
Net carrying amount, end of year	\$ 20,982,928	\$ 206,819	\$ 50,000	\$ 118,702	\$ 21,358,449	\$ 22,280,722

The Hospital District financed the capital cost of the Willingdon Creek Village, a complex care facility. The facility was completed in February, 2015 and residents moved in on May 6, 2015. Under an agreement, Vancouver Coastal Health Authority will contribute 64% of the costs through annual lease payments over a 20 year period. Lease payments commenced March 1, 2015. The estimated lease payments are \$1,192,776 annually.



# SCHEDULE II

## Powell River Regional Hospital District Asset Retirement Obligation Continuity Schedule Year Ended December 31, 2024

	2024	2023
Balance, beginning of year	\$ 516,802	\$ 516,802
Liabilities incurred	-	-
Liabilities settled	(374,553)	-
Accretion	-	-
Change in estimated cash flows	-	-
Balance, end of year	\$ 142,249	\$ 516,802

The Hospital District recognized an asset retirement obligation on a building and drying tower which are currently leased to the Miklat Recovery Society. As the Hospital District does not have an estimate of the asset retirement date the obligation has been recognized at its current estimated retirement cost.