

STUART-NECHAKO REGIONAL HOSPITAL DISTRICT
AGENDA
THURSDAY, FEBRUARY 13, 2025

<u>PAGE NO.</u>		<u>ACTION</u>
	<u>CALL TO ORDER</u>	
	<u>AGENDA – February 13, 2025</u>	Approve
	<u>SUPPLEMENTARY AGENDA</u>	Receive
	<u>MINUTES</u>	
2-5	Stuart-Nechako Regional Hospital District Meeting Minutes – January 23, 2025	Approve
	<u>DELEGATION</u>	
	<u>BESWICK HILDEBRANDT LUND CHARTERED PROFESSIONAL ACCOUNTANTS – Via Zoom</u> Taylor Turkington, CPA RE: 2024 Audit	
	<u>REPORTS</u>	
6-39	John Illes, Treasurer – Audited Financial Statements for 2024	Recommendation
40-42	John Illes, Treasurer – Completed Assessment Roll for 2025	Receive
	<u>CORRESPONDENCE</u>	
43-47	Regional Hospital Districts Letter to the Honourable Josie Osborne, MLA, Minister of Health and the Honourable Bowinn Ma, MLA, Minister of Infrastructure	Receive
	<u>SUPPLEMENTARY AGENDA</u>	
	<u>NEW BUSINESS</u>	
	<u>ADJOURNMENT</u>	

STUART-NECHAKO REGIONAL HOSPITAL DISTRICT**MEETING MINUTES****THURSDAY, JANUARY 23, 2025**

PRESENT: Chair Judy Greenaway

Directors Martin Elphee – arrived at 3:55 p.m.
 Clint Lambert – arrived at 3:59 p.m.
 Linda McGuire
 Shirley Moon – via Zoom
 Kevin Moutray
 Mark Parker
 Michael Riis-Christianson
 Sarrah Storey
 Henry Wiebe

Staff Curtis Helgesen, Secretary
 Cheryl Anderson, Acting Secretary
 John Illes, Treasurer
 Wendy Wainwright, Confidential Clerk

Other Stoney Stoltenberg, Electoral Area A (Smithers/Telkwa Rural) – left at 3:56 p.m.

CALL TO ORDER

Secretary Helgesen called the meeting to order 3:53 p.m.

ELECTIONSChairperson

Secretary Helgesen called for nominations for the position of Chairperson for the Stuart-Nechako Regional Hospital District for the year 2025.

Moved by Director McGuire
 Seconded by Director Riis-Christianson

SNRHD.2025-1-1

“That Director Greenaway be nominated for the position of Chairperson of the Stuart-Nechako Regional Hospital District for the year 2025.”

Secretary Helgesen called for nominations for Chairperson a second time.

Secretary Helgesen called for nominations for Chairperson a third time.

ELECTIONS (CONT'D)

There being no further nominations, Secretary Helgesen declared Director Greenaway, Chairperson of the Stuart-Nechako Regional Hospital District for the year 2025 by acclamation.

Acting Chairperson

CAO Helgesen called for nominations for the position of Acting Chairperson of the Stuart-Nechako Regional Hospital District for the year 2025.

Moved by Director Greenaway
 Seconded by Director Parker

SNRHD.2025-1-2

"That Director Riis-Christiaan be nominated for the position of Acting Chairperson of the Stuart-Nechako Regional Hospital District for the year 2025."

Secretary Helgesen called for nominations for Acting Chairperson a second time.

Secretary Helgesen called for nominations for Acting Chairperson a third time.

There being no further nominations, Secretary Helgesen declared Director Riis-Christianson as Acting Chairperson of the Stuart-Nechako Regional Hospital District for the year 2025 by acclamation.

Chair Greenaway took the chair.

AGENDA

Moved by Director Storey
 Seconded by Director Wiebe

SNRHD.2025-1-3

"That the Stuart-Nechako Regional Hospital District Agenda of January 23, 2025 be approved."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

MINUTES

Stuart-Nechako Regional Hospital District Meeting Minutes – November 7, 2024

Moved by Director McGuire
 Seconded by Director Moutray

SNRHD.2025-1-4

"That the minutes of the Stuart-Nechako Regional Hospital District meeting of November 7, 2024 be adopted."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

REPORTS

Financial Statements December 31, 2024

Moved by Director McGuire
 Seconded by Director Elphee

SNRHD.2025-1-5

"That the Board receive the Treasurer's Financial Statements December 31, 2024 memorandum."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

Letter to Minister Osborne Re: Invitation to meet with Regional Hospital Districts Within Northern Health

Moved by Director Storey
 Seconded by Director Parker

SNRHD.2025-1-6

"That the Board approve sending the letter to the Honourable Josie Osborne, Minister of Health regarding an Invitation to meet with Regional Hospital Districts within Northern Health."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

VERBAL REPORTS

Electoral Area E (Francois/ Ootsa Lake Rural) – Update

Director Lambert commented that:

- Work continues to secure a helipad for the southside of Francois Lake
- Full-time employment coverage at the BC Ambulance Station on the Southside is challenging and Director Lambert has a meeting scheduled February 11th with the Station Chief and staff.

District of Fort St. James -Update

Director Elphee provided the following update:

- January 7th a flood occurred at the old Fort St. James Hospital and within 6 hours emergency responders had the event cleaned up
- January 14th patients were moved from the old hospital to the new Fort St. James Hospital
- January 20th Primary Care opened at the new Hospital
- The New Hospital in Fort St James was completed on time and on budget and is a welcome addition to the community.

Electoral Area F (Vanderhoof Rural) – Update

Director Moon attended meetings with Northern Health regarding the Primary Care Facility in Vanderhoof. Northern Health has asked that in March/April 2025 representatives provide public education to the community regarding primary care for the summer of 2025.

District of Fraser Lake -Update

Director Storey mentioned:

- Progress for a helipad in Fraser Lake
- Will be attending Primary Care meetings in Vanderhoof February 5 and 6.

VERBAL REPORTS (CONT'D)

District of Granisle – Update Director McGuire provided an update regarding:

- The Granisle BC Ambulance Unit Chief and partner, who also worked for BC Ambulance recently transferred from the community
 - o BC Ambulance in Granisle is experiencing capacity issues
 - o Requested a meeting with BC Emergency Health Services to discuss the issue and recruitment
- Fire Exit at the Granisle Community Health Centre
 - o Thanked RDBN Building Inspector for visiting the Centre
- Granisle Community Health Centre requires a secondary exit to address employee safety in regard to mental health patient care.

Village of Burns Lake – Update Director Wiebe commented that he will be providing a tour of Burns Lake to a new doctor arriving in the community on February 3, 2025.

Chair Greenaway, Electoral Area C (Fort St. James) Chair Greenaway mentioned that dedicated volunteers are providing way finding service at the new Fort St. James Hospital.

Chair Greenaway noted that Greg Marr, Senior Operating Officer, Northern Health is moving to a new position outside Northern Health and the position will be temporarily filled until it will be permanently filled in March 2025.

Receipt of Verbal Reports Moved by Director Riis-Christianson
 Seconded by Director Elphee

SNRHD.2025-1-7 “That the verbal reports of the various Directors be received.”

(All/Directors/Majority) CARRIED UNANIMOUSLY

ADJOURNMENT

Moved by Director Moutray
 Seconded by Director Wiebe

SNRHD.2025-1-8 “That the meeting be adjourned at 4:09 p.m.”

(All/Directors/Majority) CARRIED UNANIMOUSLY

Judy Greenaway, Chairperson

Wendy Wainwright, Confidential Secretary

Stuart-Nechako Regional Hospital District Board of Directors

To: Chair and Board
From: John Illes, Treasurer
Date: February 13, 2025
Subject: **Audited Financial Statements for 2024**

RECOMMENDATION: **(all/directors/majority)**

That the Board of the Stuart-Nechako Regional Hospital District approve the Financial Statements for the year ending December 31, 2024 and receive the auditor's report.

BACKGROUND:

The final audit report and draft financial statements are attached to this memo. A final report and financial statements can be prepared upon the Board making the above recommendations.

In a brief presentation, the auditors, Beswick Hildebrandt Lunch Chartered Professional Accountants, will discuss the financial statements.

Attachment:

**2024 Draft Financial Statements
Audit Report**

**STUART - NECHAKO REGIONAL
HOSPITAL DISTRICT**

Financial Statements

December 31, 2024

DRAFT

**STUART-NECHAKO REGIONAL HOSPITAL DISTRICT
FINANCIAL STATEMENTS**

December 31, 2024

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DRAFT

Stuart-Nechako

Regional Hospital District

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of 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. A summary of the significant accounting policies are described in Note 1 to the financial statements. 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 is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed 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.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and external audited financial statements yearly. The Board also discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Beswick Hildebrandt Lund CPA, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Stuart-Nechako Regional Hospital District and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of Stuart-Nechako Regional Hospital District

John Illes

Chief Financial Officer

Judy Greenaway

Chairperson



CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Stuart-Nechako Regional Hospital District

Opinion

We have audited the financial statements of Stuart-Nechako Regional Hospital District (the Entity), which comprise the statement of financial position as at December 31, 2024, and the statements of operations 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 Entity as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standard.

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 Entity 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 PSAS, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Partners

Allison Beswick CPA, CA
 Norm Hildebrandt CPA, CA
 Robin Lund CPA, CGA

Dane Soares CPA
 Taylor Turkington CPA

Beswick Hildebrandt Lund CPA
 556 North Nechako Road, Suite 10,
 Prince George BC, Canada V2K 1A1
 T: +1 250 564 2515, F: +1 250 562 8722

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 Entity'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 Entity'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 Entity 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.



CHARTERED PROFESSIONAL ACCOUNTANTS

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.

Chartered Professional Accountants

Prince George, British Columbia

February 13, 2025

DRAFT

STUART - NECHAKO REGIONAL HOSPITAL DISTRICT

STATEMENT OF FINANCIAL POSITION

December 31, 2024

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 4,421,993	\$ 3,203,228
Investments (Note 3)	5,258,489	-
Accounts receivable	<u>26,659</u>	<u>6,249</u>
	9,707,141	3,209,477
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 9,707,141</u>	<u>\$ 3,209,477</u>

Approved By The Board:

Chairperson _____

Treasurer _____

STUART - NECHAKO REGIONAL HOSPITAL DISTRICT

STATEMENT OF OPERATIONS

For the year ended December 31, 2024

	2024		2023
	<u>Budget (Note 4)</u>	<u>Actual</u>	<u>Actual</u>
REVENUE			
Property tax requisition	\$ 6,816,625	\$ 6,817,118	\$ 5,927,500
Interest	150,000	257,960	244,172
Miscellaneous	-	-	-
Grants in lieu of taxes	24,000	25,766	23,943
	<u>6,990,625</u>	<u>7,100,844</u>	<u>6,195,615</u>
EXPENDITURES			
Grants for capital expenditures	2,506,282	592,172	12,704,450
Administration and audit	30,000	11,008	27,136
	<u>2,536,282</u>	<u>603,180</u>	<u>12,731,586</u>
ANNUAL INCOME (DEFICIT)	4,454,343	6,497,664	(6,535,971)
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR	<u>3,209,477</u>	<u>3,209,477</u>	<u>9,745,448</u>
ACCUMULATED SURPLUS AT END OF THE YEAR	<u>\$ 7,663,820</u>	<u>\$ 9,707,141</u>	<u>\$ 3,209,477</u>

STUART - NECHAKO REGIONAL HOSPITAL DISTRICT

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Annual income (deficit)	\$ 6,497,664	\$ (6,535,971)
Changes in non-cash assets and liabilities:		
Prepaid expenses	-	90,636
Accounts receivable	(20,410)	42,912
Accounts payable and accrued liabilities	-	(808,139)
Total cash from operating activities	<u>6,477,254</u>	<u>(7,210,562)</u>
INVESTING		
Increase in investments	(5,236,045)	-
Reinvested	<u>(22,444)</u>	<u>-</u>
	<u>(5,258,489)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	1,218,765	(7,210,562)
CASH AT THE BEGINNING OF THE YEAR	<u>3,203,228</u>	<u>10,413,790</u>
CASH AT THE END OF THE YEAR	<u><u>\$ 4,421,993</u></u>	<u><u>\$ 3,203,228</u></u>

STUART-NECHAKO REGIONAL HOSPITAL DISTRICT**NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2024**

The Stuart-Nechako Regional Hospital District (“Regional Hospital District”) was incorporated on November 19, 1998 and commenced operations on January 1, 1999. The Regional Hospital District provides funding to the following facilities, all operated by the Northern Health Authority: the Fraser Lake Diagnostic and Treatment Centre, the Granisle Health Centre, the Lakes District Hospital and the Pines Multi-level Care Facility (both in Burns Lake), the St. John Hospital, and the Stuart Nechako Manor (both located in Vanderhoof), and the Stuart Lake Hospital (Fort St. James).

1. SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

These financial statements have been prepared in accordance with Canadian public sector accounting standards.

No Schedule of Expenditures by function has been presented because the Regional Hospital District has only one function – providing financing for equipment, renovation and construction of Hospitals and Health Centres.

No Statement of Change in Net Debt has been included because the Regional Hospital District does not own non-financial assets. The function of this statement is to reconcile financial and non-financial assets.

No Statement of Remeasurement Gains and Losses has been included because the Regional Hospital District does not own assets that would result in unrealized gains or losses. The function of this statement is to reconcile the accumulated surplus between operating and remeasurement gains and losses.

Budget figures disclosed throughout the financial statements have been extracted from the 2024 final budget, adopted on March 7, 2024.

Subsequent amendments to the budget bylaw are not reflected in the budget figures.

Cash

Cash includes cash on hand and demand deposits.

Financial Instruments***Measurement of financial instruments***

The Regional Hospital District initially measures its financial assets and financial liabilities at fair value. The Regional Hospital District subsequently measures all its financial assets and financial liabilities at cost.

Financial assets measured at amortized cost include cash, temporary investments, prepaid expenses and accounts receivable.

Financial liabilities measured at cost include accounts payable and accrued liabilities.

STUART-NECHAKO REGIONAL HOSPITAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

Unless otherwise indicated, it is management's opinion that the Regional Hospital District is not exposed to any significant credit, liquidity or interest risks arising from these financial instruments.

Revenue Recognition

Revenue generated by taxes is recognized in the period to which it is requisitioned. Grants in lieu of taxes are recognized in the period they pertain to. Interest revenue is recognized in the period it is earned.

2. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
Bank accounts	\$ 1,402,268	\$ 619,392
Guaranteed investment certificates	<u>3,019,725</u>	<u>2,583,836</u>
	<u>\$ 4,421,993</u>	<u>\$ 3,203,228</u>

Cash and cash equivalents consist unrestricted cash and fixed income guaranteed investment certificates, which have a maturity of one year or less, and are carried at market value which approximates cost. For the year ended December 31, 2024, the guaranteed investment certificate interest rates ranged between 3.90% to 4.30% (2023 – 1.30% to 5.90%).

3. INVESTMENTS

Canaccord Investments

<u>Institution</u>	<u>2024</u>	<u>2023</u>	<u>Effective Interest Rate</u>	<u>Maturity Date</u>
Bank of Nova Scotia	<u>\$ 524,013</u>	<u>\$ -</u>	4.06%	June 14, 2034

Raymond James Investments

<u>Institution</u>	<u>2024</u>	<u>2023</u>	<u>Effective Interest Rate</u>	<u>Maturity Date</u>
Laurent Bank	<u>\$ 2,201,032</u>	<u>\$ -</u>	4.00%	Nov. 15, 2027

Bulkley Valley Credit Union

<u>Institution</u>	<u>2024</u>	<u>2023</u>	<u>Effective Interest Rate</u>	<u>Maturity Date</u>
BVCU	<u>\$ 2,533,444</u>	<u>\$ -</u>	3.95%	Aug. 20, 2027

STUART-NECHAKO REGIONAL HOSPITAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

3. INVESTMENTS, continuedTotal Investments

	<u>2024</u>	<u>2023</u>
Canaccord	\$ 524,013	\$ -
Raymond James	2,201,032	-
BVCU	<u>2,533,444</u>	-
	<u>\$ 5,258,489</u>	<u>\$ -</u>

4. BUDGET

The annual budget adopted by the Board of Directors on March 7, 2024 was prepared on a modified accrual basis while the financial statements are prepared on a full accrual basis as required by Canadian Public Sector Accounting Standards. The budget anticipated the use of surpluses accumulated in prior years to supplement current year revenues. In addition, the budget included transfers to and from reserves.

The budget figures included in these financial statements represent the budget adopted by the Board of Directors with adjustments as follows:

	<u>2023</u>
Budgeted surplus per statement of financial activities	<u>\$ 4,454,343</u>
Surplus in the financial plan	<u>\$ 4,454,343</u>

5. RELATED PARTY TRANSACTIONS

The Regional Hospital District and the Regional District of Bulkley-Nechako share the same management team but operate under the governance of a different board of directors.

During the year, the Regional District of Bulkley-Nechako provided administration and accounting services of \$15,536 (2023 - \$15,900) to the Regional Hospital District.

Stuart-Nechako Regional Hospital District

**Year-End Audit Findings Report
to Board of Directors**

**For the year ending
December 31, 2024**

Prepared as of January 31, 2025

January 31, 2025

Board of Directors
Stuart-Nechako Regional Hospital District
PO Box 820
Burns Lake, BC
V0J 1E0

Dear Board of Directors:

Re: Audit Findings

We prepared the accompanying report to assist you in your review of the financial statements of Stuart-Nechako Regional Hospital District for the year ending December 31, 2024. The report includes a discussion on the significant accounting and financial reporting matters dealt with during the audit process as well as communications required by Canadian generally accepted auditing standards.

We have substantially completed our audit of the financial statements of Stuart-Nechako Regional Hospital District (the entity) prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) for the year ended December 31, 2024. We propose to issue our auditor's report on those financial statements, pending resolution of outstanding items outlined on page 1. Our draft auditor's report is included as Appendix A.

We look forward to meeting with you and discussing the matters outlined below.

We would like to express our sincere thanks to the management and staff of the entity who have assisted us in carrying out our work. If you have any questions or concerns, please do not hesitate to contact us.

Yours very truly,

Taylor Turkington CPA
Partner

c.c: John Illes, Chief Financial Officer

Partners

Allison Beswick CPA, CA
Norm Hildebrandt CPA, CA
Robin Lund CPA, CGA

Dane Soares CPA
Taylor Turkington CPA

Beswick Hildebrandt Lund CPA
556 North Nechako Road, Suite 10,
Prince George BC, Canada V2K 1A1
T: +1 250 564 2515, F: +1 250 562 8722

Audit Status

We have completed the audit of the financial statements, with the exception of the following items:

- Receipt of a signed management representation letter by management;
- Completing our discussions with the Board of Directors;
- Obtaining evidence of the Board's approval of the financial statements;

Once these items have been completed, we will date and sign our auditor's report.

Significant Risks

We identified the following significant risks in our planning letter dated January 15, 2025:

- Revenue recognition
- Management Override of Controls

We executed the proposed audit responses to the significant risks identified above, as noted in our planning letter, and we have no issues to report.

Significant Matters Arising

Changes to Audit Plan

There were no changes to the audit plan (as previously presented to you).

Other Matters

We have not identified any other significant matters that we wish to bring to your attention at this time.

Significant Difficulties Encountered

There were no significant difficulties encountered during our audit.

Comments on Accounting Practices

Accounting Policies

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The significant accounting policies used by the entity are outlined in Note 1 to the financial statements.

- There were no significant changes in accounting policies.
- We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- We did not identify any significant accounting policies in controversial or emerging areas.

Significant Accounting Estimates

Management is responsible for the accounting estimates included in financial statements. Estimates and the related judgments and assumptions are based on management's knowledge of the business and past experience about current and future events.

Our responsibility as auditors is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analyzing of key factors such as underlying management assumptions;
- Materiality of estimates individually and in the aggregate in relation to the financial statements as a whole;
- Estimate's sensitivity to variation and deviation from historical patterns;
- Estimate's consistency with the entity's business plans; and
- Other audit evidence.

Based on audit work performed, there were no significant estimates made by management

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

Uncorrected Misstatements

We did not identify or detect any uncorrected misstatements for the current year during our audit.

Significant Deficiencies in Internal Control

A deficiency in internal control exists when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

To identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any such

opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during our audit.

We did not identify any control deficiencies that, in our judgment, would be considered significant deficiencies.

Written Representations

In a separate communication, as attached in Appendix B, we have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards (PSAS).

Disagreements with Management

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to the entity's financial statements or auditor's report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgments for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditor's report.

We are pleased to inform you that we had no disagreements with management during the course of our audit.

Consultation with Other Accountants (Second Opinions)

Management may consult with other accountants about auditing and accounting matters to obtain a "second opinion". When an entity requests that another accountant provide a written report or oral advice on the application of accounting principles to a specific transaction or the type of opinion that may be rendered on the entity's financial statements, we are required to ensure that the accountant has ensured that the reporting accountant has knowledge of all facts and circumstances and has conducted the engagement in accordance with Canadian generally accepted auditing standards on the Reports on the Application of Accounting Principles.

We are not aware of any consultations that have taken place with other accountants.

Independence

We confirm our independence with respect to the entity as of the date of this report.

Other Audit Matters of Governance Interest

We did not identify any other matters to bring to your attention at this time and would be pleased to discuss with you further any matters mentioned above, at your convenience.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. Should any member of the Board of Directors wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time. We would be pleased to discuss them with you and respond to any questions you may have.

This letter was prepared for the sole use of those charged with governance of Stuart-Nechako Regional Hospital District to carry out and discharge their responsibilities and is not intended for any other purpose. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to a third party who uses this communication.

Yours very truly,

Beswick Hildebrandt Lund

Beswick Hildebrandt Lund Chartered Professional Accountants

Appendix A: Audit Report

Please see attached report.



CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Stuart-Nechako Regional Hospital District

Opinion

We have audited the financial statements of Stuart-Nechako Regional Hospital District (the Entity), which comprise the statement of financial position as at December 31, 2024, and the statements of operations 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 Entity as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standard.

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 Entity 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 PSAS, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Partners

Allison Beswick CPA, CA
Norm Hildebrandt CPA, CA
Robin Lund CPA, CGA

Dane Soares CPA
Taylor Turkington CPA

Beswick Hildebrandt Lund CPA
556 North Nechako Road, Suite 10,
Prince George BC, Canada V2K 1A1
T: +1 250 564 2515, F: +1 250 562 8722

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 Entity'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 Entity'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 Entity 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.



CHARTERED PROFESSIONAL ACCOUNTANTS

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.

Beswick Hildebrandt Lund

Chartered Professional Accountants

Prince George, British Columbia

February 13, 2025

DRAFT

Appendix B: Management Representation Letter

Please see attached letter.

30
Stuart-Nechako Regional Hospital District
PO Box 820
Burns Lake, BC
V0J 1E0

February 13, 2025

Beswick Hildebrandt Lund Chartered Professional Accountants
556 North Nechako Road, Suite 10
Prince George, British Columbia,
V2K 1A1

Dear Sir/Madame:

This representation letter is provided in connection with your audit of the financial statements of Stuart-Nechako Regional Hospital District for the year ended December 31, 2024, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian Public Sector Accounting Standards (PSAS).

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement letter dated January 15, 2025 for:

- a. Preparing and fairly presenting the financial statements in accordance with PSAS ;
- b. Providing you with:
 - i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 - ii. Additional information that you have requested from us for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d. Designing and implementing 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 have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting

of which management is aware.

Preparation of Financial Statements

The financial statements are fairly presented in accordance with PSAS, and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the laws and regulations to which Stuart-Nechako Regional Hospital District is subject. We have prepared the Stuart-Nechako Regional Hospital District's financial statements on the basis that the Stuart-Nechako Regional Hospital District is able to continue as a going concern.

We have appropriately reconciled our books and records (e.g. general ledger accounts) underlying the financial statements to their related supporting information (e.g. subledger or third party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a statement of financial position account, which should have been written off to a revenue and expense account and vice versa. All intra entity accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.

Fraud

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 - i. Management;
 - ii Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others; and
- c. The results of our risk assessments regarding possible fraud or error in the financial statements.

Compliance with Laws and Regulations

We have disclosed all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements

There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices. We are up to date with all corporate filings and annual returns. This includes all Canada Revenue Agency GST returns.

Litigation and Claims

All known actual or possible litigation and claims, which existed as at December 31, 2024 or exist now, have been disclosed to you and accounted for and disclosed in accordance with PSAS, whether or not they have been discussed with legal counsel.

Related Parties

We have disclosed to you the identity of all of the entity's related-party relationships and transactions of which we are aware. This includes sales, purchases, loans, transfers of assets, liabilities and services, leasing agreements, guarantees, non-monetary

transactions, and transactions for no consideration for the year ended as well as related balances due to or from such parties at the year end. All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of CPA Canada Public Sector Accounting Handbook, Section PS 2200 (Related Party Disclosures) and we confirm our belief that any receivable balances are fully collectable. The list of related parties attached to this letter as Appendix A accurately and completely describes the Stuart-Nechako Regional Hospital District's related parties and the relationships with such parties.

Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with PSAS. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. In particular, we confirm the following:

- The measurement methods are appropriate and consistently applied;
- The significant assumptions used in determining fair value measurements represent our best estimates, are reasonable, appropriate and have been consistently applied;
- No subsequent event requires adjustment to the accounting estimates and disclosures included in the financial statements; and
- The significant assumptions used in determining fair value measurements are consistent with the Stuart-Nechako Regional Hospital District's planned courses of action. We have no plans or intentions that have not been disclosed to you, which may materially affect the recorded or disclosed fair values of assets or liabilities.

Significant estimates and measurement uncertainties known to management that are required to be disclosed in accordance with CPA Canada Public Sector Accounting Handbook, Section PS 2130 (Measurement Uncertainty) have been appropriately disclosed, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

Subsequent Events

We have identified all events that occurred between December 31, 2024 and the date of this letter that may require adjustment of, or disclosure in, the financial statements, and have effected such adjustment or disclosure as per the requirements of PSAS.

Going Concern

There are no events or conditions that, individually or collectively, may cast significant doubt on the Stuart-Nechako Regional Hospital District's ability to continue as a going concern.

We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements (e.g. to dispose of the business or to cease operations).

Commitments and Contingencies

All contractual arrangements entered into by Stuart-Nechako Regional Hospital District with third parties have been properly reflected in the accounting records or/and, where material (or potentially material) to the financial statements, have been disclosed to you. Stuart-Nechako Regional Hospital District has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

There are no side agreements or other arrangements (either written or oral) undisclosed to you.

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements but have not been disclosed. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

Misstatements and Adjustments

Certain representations in this letter are described as being limited to those matters that are material. Items are also considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

We confirm that the are free from material misstatements, including omissions.

We confirm there are no uncorrected misstatements in the financial statements.

Other Representations

Accounting Policies

We confirm that we have reviewed the Stuart-Nechako Regional Hospital District's accounting policies and, having regard to the possible alternative policies, our selection and application of accounting policies and estimation techniques used for the preparation and presentation of the financial statements is appropriate in the Stuart-Nechako Regional Hospital District's particular circumstances.

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous year (except as disclosed in the financial statements).

Internal Control Over Financial Reporting

We have disclosed to you all deficiencies in the design or operation of disclosure controls and procedures and internal control over financial reporting that we are aware.

Minutes

All matters requiring disclosure to or approval of Board of Directors the have been brought before them at appropriate meetings and are reflected in the minutes.

Other Information

We confirm to you that we are not required by law, regulation or custom and do not intend to issue a document (which would include or accompany the financial statements and our auditor's report thereon) with information on Stuart-Nechako Regional Hospital District's operations and the Stuart-Nechako Regional Hospital District's financial results and financial position as set out in the financial statements.

Assets and Liabilities

We have satisfactory title or control over all assets. We have recorded or disclosed, as appropriate, all liabilities, in accordance with PSAS.

For the following specific representations, the terms "year end" and "year" are defined as each year end and each year respectively, covered by the audit of the financial statements as stated above.

Cash and Banks

The books and records properly reflect and record all transactions affecting cash funds, bank accounts and bank indebtedness of the Stuart-Nechako Regional Hospital District.

All cash balances are under the control of the Stuart-Nechako Regional Hospital District, free from assignment or other charges, and unrestricted as to use, except as disclosed to you.

The amount shown for cash on hand or in bank accounts excludes trust or other amounts, which are not the property of the Stuart-Nechako Regional Hospital District.

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line(s) of credit, or similar arrangements have been properly disclosed.

All cash and bank accounts and all other properties and assets of the Stuart-Nechako Regional Hospital District are included in the financial statements.

Accounts Receivable

All amounts receivable by the Stuart-Nechako Regional Hospital District were recorded in the books and records.

Receivables classified as current do not include any material amounts that are collectible after one year.

Receivables recorded in the financial statements, represent bona fide claims against debtors for sales or other charges arising on or before the statement of financial position date[s] and are not subject to discount except for normal cash discounts.

Amounts receivable that are non-interest bearing and are expected to be paid more than a year after initial recognition date have been initially recognized at fair value, using an appropriate discount rate, and subsequently measured at amortized cost.

All receivables were free from hypothecation or assignment as security for advances to Stuart-Nechako Regional Hospital District, except as hereunder stated.

Financial Instruments

We have properly recorded all financial assets of equity instruments quoted on an active market at fair value.

We have evaluated whether there are indicators of impairment for all financial assets measured at cost or amortized cost, and where there has been a significant adverse change in the expected timing or amount of future cash flows from a financial asset or group of similar financial assets, we have assessed whether a reduction in the carrying value is necessary.

Marketable Securities

All marketable securities owned by us are recorded in the accounts. The marketable securities are measured at fair value.

All income earned for the year ended December 31, 2024 on these securities has been recognized in earnings along with any transaction costs incurred and changes in fair value.

Accounts Payable

Accounts payable that are non-interest bearing and are expected to be paid more than a year after the initial recognition date have been classified as long term in the financial statements, initially recognized at fair value, using an appropriate discount rate, and subsequently measured at amortized cost.

Revenue Recognition

We have recorded all revenue that met the following criteria:

- Persuasive evidence of an arrangement exists;
- Delivery has occurred, or services have been rendered;
- Price is fixed or determinable; and
- Collectability is reasonably assured.

Government Transfers

Transferring organization

Transfers have only been recognized as an expense in the year the transfer has been authorized and all eligibility criteria have been met by the recipient.

Recipient organization

We have disclosed all significant terms and agreements in respect of transfers received from governments.

Transfers without eligibility criteria or stipulations have been recognized as revenue once the transfer has been authorized.

Transfers with eligibility criteria but without stipulations have been recognized as revenue once the transfer has been authorized and all eligibility criteria have been met.

Transfers with or without eligibility criteria but with stipulations have been recognized as revenue in the year the transfer has been authorized and all eligibility criteria have been met, except when, and to the extent that, the transfer gives rise to an obligation that meets the definition of a liability for the recipient government in accordance with CPA Canada Public Sector Accounting Handbook, Section PS 3200 (Liabilities).

Disclosure

The major kinds of transfers recognized have all been disclosed in the financial statements as well as the nature and terms of liabilities arising from government transfers received.

Segment Reporting

Pursuant to CPA Canada Public Sector Accounting Handbook, Section PS 2700 (Segment Disclosures), in identifying segments, management has considered the definition of a segment and other factors, including:

- the objectives of disclosing financial information by segment;
- the expectations of members of the community and their elected or appointed representatives regarding the key activities and accountabilities of the government;
- the qualitative characteristics of financial reporting as set out in CPA Canada Public Sector Accounting Handbook, Section PS 1000 (Financial Statement Concepts);
- the homogeneous nature of the activities, service delivery, or recipients of the services;
- whether the activities relate to the achievement of common outcomes or services as reflected in government performance reports and plans;
- whether discrete financial information is reported or available; and
- the nature of the relationship between the government and its organizations (within the reporting entity).

The financial statements disclose all the relevant factors used to identify the Stuart-Nechako Regional Hospital District's reportable segments.

Budgetary Data

We have included budgetary data in our financial statements, which is relevant to the users of financial statements and consistent with that originally planned and approved by Board of Directors on March 7, 2024. Planned results were presented for the same scope of activities and on a basis consistent with that used for actual results.

Yours truly,

John Illes, Chief Financial Officer

DRAFT

Appendix A: Related Parties

See attached proposed related parties summary.

DRAFT

Appendix A: Related parties listing**Board of Directors**

Chair Judy Greenaway, and immediate family
Director Martin Elphee, and immediate family
Director Clint Lambert, and immediate family
Director Linda McGuire, and immediate family
Director Shirley Moon, and immediate family
Director Michael Riis-Christianson, and immediate family
Director Sarrah Storey, and immediate family
Director Kevin Moutray, and immediate family
Director Mark Parker, and immediate family
Director Henry Wiebe, and immediate family

Management

John Illes, Treasurer, and immediate family
Curtis Helgesen, Secretary, and immediate family
Cheryl Anderson, Assistant Secretary, and immediate family

Related party entities:

Regional District of Bulkley-Nechako

DRAFT

Stuart-Nechako Regional Hospital District Board of Directors

To: Chair and Board
From: John Illes, Treasurer
Date: February 13, 2025
Subject: **Completed Assessment Roll for 2025**

RECOMMENDATION: **(all/directors/majority)**

Receipt.

BACKGROUND:

The total unadjusted assessment for the hospital district is nearly \$4 billion. The Completed Hospital Assessment (adjusted roll) Roll for 2025 is 619,363,117. This is an increase nearly 8% of the roll from 2024's numbers of 573,790,898. There was an increase of 3.38% from the 2024 roll due to new construction activities – this includes the new private power line in Area D and the pipeline completion in Areas D, E and F.

Therefore, of the increase in assessments approximately 4.62% comes from market price increases (such as the average selling price of a house) and 3.38% from additional property subject to taxation. With this information, requisition options for future discussion and information purposes are presented below.

Requisition Options	Tax Rate Per \$1,000	Requisition
2024 Taxation	1.185	6,816,625
2025 Maintain Requisition	1.101	6,816,625
2025 Maintain Requisition + inflation	1.129	6,993,857
\$7,000,000 Requisition	1.130	7,000,000
Tax Rate at \$1.00	1.000	6,193,631
Tax Rate at \$0.75	0.750	4,645,223

For comparison, here are the 2024 Hospital District Tax Rates for a sample of representative communities across the Province:

Representative Community	Area		Tax Rate	
Pemberton	V	SQL	Hospital	0.0292
Gibsons	T	SUN	Hospital	0.0662
Chilliwack	C	FVR	Hospital	0.0896
Victoria	C	CAP	Hospital	0.1250
Port Alberni	C	ALB	Hospital	0.1282
Grand Forks	C	KOO	Hospital	0.1579
Penticton	C	OKS	Hospital	0.1836
Kelowna	C	COK	Hospital	0.1907
shíshálh Nation Government District	D	SUN	Hospital	0.2030
Vernon	C	NOK	Hospital	0.2309
Port McNeill	T	MW	Hospital	0.2474
Comox	T	COM	Hospital	0.2577
Kamloops	C	TNR	Hospital	0.3046
Powell River	C	qRD	Hospital	0.3516
Creston	T	CKO	Hospital	0.3634
Lake Cowichan	T	COW	Hospital	0.3657
Nanaimo	C	NAN	Hospital	0.4072
Telkwa	V	BUL	Hospital	0.5075
Fort St. John	C	PEA	Hospital	0.5745
Prince George	C	FFG	Hospital	0.7386
Quesnel	C	CAR	Hospital	0.7429
Vanderhoof	D	BUL	Hospital	1.1886

A long-term financial plan is being drafted to better understand and manage the capital needs for the St. John Hospital (Vanderhoof Hospital) replacement project. This will be brought back at the next meeting.

In addition at the next meeting, Northern Health is planning on providing an update of its current major capital projects: Stuart Lake Hospital and Vanderhoof Primary Care.

Attachment: 2025 Assessment

2025 NET TAXABLE VALUES FOR REGIONAL HOSPITAL DISTRICT
Purpose Under Sec. 26 (1) & (3) Hospital District Act
 Completed Roll run on 2024-12-05

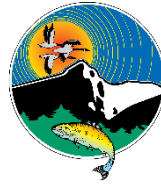
Printed Date: 09/Dec/2024



bcassessment.ca

RHD - 34 Stuart-Nechako
REGIONAL DISTRICT TOTAL

Property Class	HOSPITAL VALUES			
	Occurrences	Land	Improvements	Total
01 Residential	13,805	935,747,958	2016154905.00	2,951,902,863
02 Utilities	383	52,901,471	475513720.00	528,415,191
04 Major Industry	34	11,476,800	175180300.00	186,657,100
05 Light Industry	297	17,699,500	27007100.00	44,706,600
06 Business And Other	865	58,046,455	175930728.00	233,977,183
07 Managed Forest Land	3	164,700		164,700
08 Rec/Non Profit	156	8,416,300	452700.00	8,869,000
09 Farm	2,198	22,814,900		22,814,900
Total	17,741	1,107,268,084	2,870,239,453	3,977,507,537



Stuart-Nechako
Regional Hospital District



PEACE RIVER REGIONAL
HOSPITAL DISTRICT



January 31, 2025

The Honourable Josie Osborne, MLA
Minister of Health
PO Box 9050 Stn Prov Govt
Victoria, BC V8W 9E2
Via email: HLT.Minister@gov.bc.ca

The Honourable Bowinn Ma, MLA
Minister of Infrastructure
PO Box 9021 Stn Prov Govt
Victoria, BC V8W 9E2
Via email: INF.Minister@gov.bc.ca

Dear Minister Osborne and Minister Ma:

Re: Invitation to meet with Regional Hospital Districts within Northern Health

The Regional Hospital Districts in the Northern Health region would like to take this opportunity to congratulate you on your appointments to Minister of Health and Minister of Infrastructure and extend an invitation to meet with us regarding the current funding challenges that northern Regional Hospital Districts are experiencing.

The North West, Stuart-Nechako, Fraser-Fort George, Cariboo-Chilcotin, Northern Rockies and Peace River Regional Hospital Districts (the RHDs) contribute some of the highest residential property tax requisition rates per thousand in the Province to Northern Health's capital budget. There are a number of factors that are impacting the current state of affordability with fairness across the Province being a consideration. There is a noteworthy disparity across the Province in terms of what taxpayers pay, with RHDs in the North of the Province paying more on average.

At the 2024 Union of BC Municipalities Convention during the Electoral Area Directors' Forum, the Fraser-Fort George and Stuart-Nechako Regional Hospital Districts provided a presentation that provided background and financial data that supported the special resolution (SR1) – Unsustainable Local Government Contributions to Regional Hospital Districts that was endorsed by the UBCM membership.

We would like to arrange a meeting with you prior to the adoption of the RHDs budgets in March of 2025 to discuss funding and affordability concerns along with the need for legislative reform of the *Hospital District Act*.

Sincerely,



Barry Pages, Chair
North West
Regional Hospital District



Judy Greenaway, Chair
Stuart-Nechako
Regional Hospital District



Joan Atkinson, Chair
Fraser-Fort George
Regional Hospital District



Al Richmond, Chair
Cariboo-Chilcotin
Regional Hospital District



Leonard Hiebert, Chair
Peace River
Regional Hospital District



Rob Fraser, Chair
Northern Rockies
Regional Hospital District

Attachment: 2024 UBCM Resolution – SR1 Unsustainable Local Government Contributions to Regional Hospital Districts

cc: Alisa Thompson, Executive Director, North West Regional Hospital District
Curtis Helgesen, CAO, Stuart-Nechako Regional Hospital District
Chris Calder, CAO, Fraser-Fort George Regional Hospital District
Murray Daly, CAO, Cariboo-Chilcotin Regional Hospital District
Shawn Dahlen, CAO, Peace River Regional Hospital District
Scott Barry, CAO, Northern Rockies Regional Hospital District

Section SR



Health and Social Development

SR1 Unsustainable Local Government Contributions to Regional Hospital Districts

UBCM Executive

Whereas local governments are facing significant financial pressures due to the expansion of services which are being downloaded by the provincial and federal governments on many issues including housing, community safety and climate change;

And whereas local governments must share the capital infrastructure project costs for healthcare facilities with the provincial government through their Regional Hospital Districts with 60 percent contributed by the Province and 40 percent contributed by Regional Hospital Districts;

And whereas local governments must provide the 40 percent 'voluntary' contribution towards the provincial government's health care capital costs, including any cost overruns, or risk losing those projects to other areas of the province:

Therefore be it resolved that the provincial government work with Regional Hospital Districts and UBCM to review the cost-sharing model for funding health capital projects in BC, and acknowledge that the reliance on property taxes to fund areas of provincial health care responsibility is inconsistent and unsustainable for BC local governments.

UBCM Resolutions Committee Recommendation: **Endorse**

UBCM Resolutions Committee Comments:

The Resolutions Committee notes that the UBCM membership has endorsed numerous resolutions regarding the cost-sharing of capital projects between Health Authorities and Regional Hospital Districts. (2023-NR11, 2021-EB64, 2018-B50, 2018-B144, 2017-B39, 2016-B114, 2014-B35, 2011-B58, 2009-B150, 2008-B129, 2007-B184, 2005-B42, 2004-B28). Several of the resolutions have requested a review of the historic cost-sharing ratio and have advised reliance on the property tax system to provide 40 percent of the capital costs is inflexible, inconsistent, and unsustainable.

The Committee also notes that the membership supported resolution 2023-NR10 which called for a review of the structure/management of Health Authorities; and resolution 2014-C19 which requested legislative change to require the composition of health authority boards to include representation from regional districts.

For 2024, UBCM received three related resolutions on regional hospital districts that will be referred to this Special Resolution. Resolution RR1 requests that the provincial government consult with Regional Hospital Districts to reconsider the existing capital infrastructure project funding split as the 60:40 percentages are not legislated in the Hospital District Act; Resolution RR2 asks the provincial government for transparent and accurate cost estimates for healthcare infrastructure projects, enabling accountability and effective financial planning by local governments; and Resolution RR3 requests equitable funding arrangements for healthcare infrastructure projects, ensuring that the financial burden is distributed fairly among communities based on their capacity to contribute.

See resolutions RR1, RR2, RR3

Background

The UBCM Executive is bringing forward a special resolution on Regional Hospital Districts to highlight and provoke action by the provincial government on the long-standing issue of the expected contributions from local governments to provincial health care capital projects.

Local governments, through their Regional Hospital Districts (RHD), provide a voluntary 40 percent contribution towards capital costs. However, most RHDs acknowledge that while they theoretically can (and some do) refuse to approve the full 40 percent of project requests from Health Authorities, they feel that it is risky to do so as the project could be placed at risk and the local community could lose needed investments.

In response to endorsed resolution 2021-EB64, the Ministry of Health advised that “RHDs are expected to contribute 40 percent of capital project costs within their region”. The provincial government noted that “when there is an opportunity to amend the Hospital District Act - the legislative framework for the roles and responsibilities of RHDs - the review of the cost-sharing model for funding health capital projects in BC could be considered in consultation with all stakeholders, including RHDs and the Union of BC Municipalities”.

Staff note that the Regional Hospital Districts exist in every region of BC except for the Greater Vancouver Regional District. A provision in the Greater Vancouver Transportation Act allows residents in that area contribute towards transit instead of health care capital costs.

UBCM Policy Position

Local contributions to Regional Hospital Districts have been a significant issue for UBCM since 1992.

UBCM was involved in drafting two Regional Hospital District Cost Sharing Reviews in 2003 and 2009.

In 2003, Sierra Systems was hired by the Ministry of Health to conduct a review of the cost sharing processes between the Ministry of Health, Health Authorities and RHDs. The review examined the appropriate role for RHDs in capital planning and contribution decisions; and the capital process concerns of each party. The report offered 15 recommendations.

In 2008 and 2009, UBCM worked with the Ministry of Health to commission a second report to review the status of the implementation of recommendations from the 2003 Cost Sharing Review.

Following the release of the report, Ministry of Health staff provided updates to the UBCM membership in 2009, 2010, and 2011 at the Annual Conventions. In 2011, the Ministry noted that of the actionable recommendations, 8 items were complete, 1 item was 95 percent complete (recommendation #2), and 1 item is headed in the right direction (recommendation #1), and 1 item will be on the legislative agenda (recommendation #11). It was noted that the Ministry was preparing a summary report to present to the RHDs in early 2012.

Work on the implementation of the recommendations stalled after the 2011 Convention session, due to a lack of staff resources at the Ministry to continue the work, and the 2013 provincial election.

To re-ignite work with the provincial government on regional hospital districts, UBCM offered a clinic on the issue at the 2018 Convention, which included the CEO of Interior Health, a representative of Island Health, two local Directors from RHDs, and a representative from the Ministry of Health.

Current Status

Regional Hospital Districts in BC have reported significant cost increases in the funding requests brought forward by Health Authorities for healthcare capital expenditures. This has resulted in substantial increases to RHD budgets and to the regional district taxpayers.

For example, the below table outlines the Fraser Fort George Regional Hospital District contributions to Northern Health between 2014 and 2023; as well as anticipated costs for 2024 to 2028.

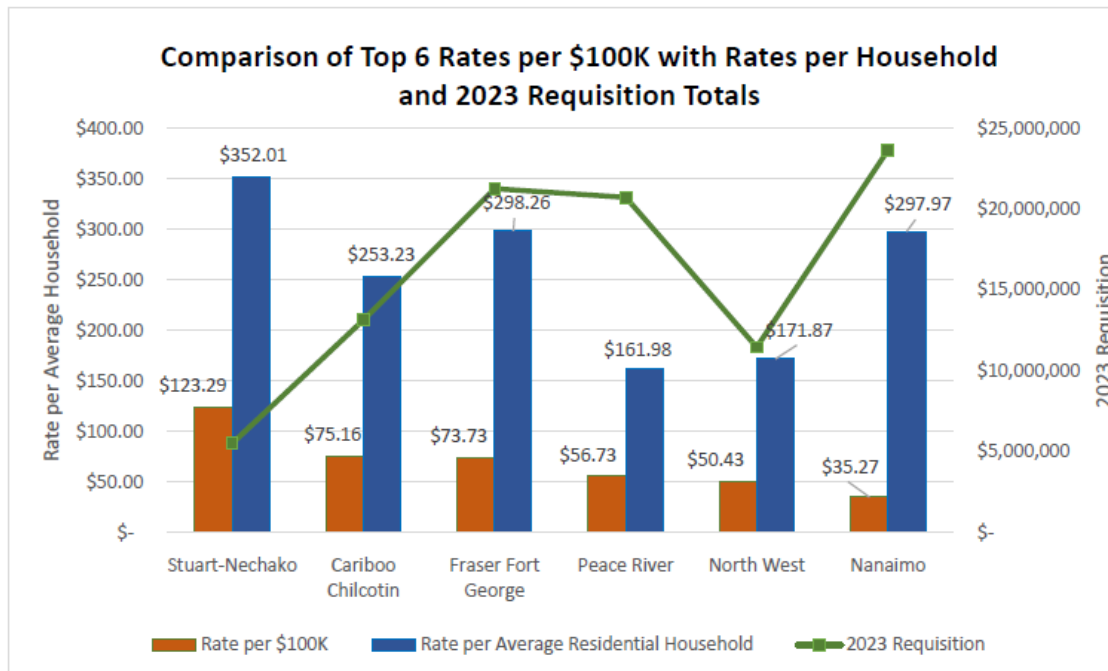
**Fraser Fort George Regional Hospital District
Grants to Northern Health Authority**

Anticipated 2028	12,910,995
Anticipated 2025	12,887,655
Anticipated 2025	23,549,665
Anticipated 2025	32,015,295
Anticipated 2024*	23,633,980
2023	10,484,730
2022	6,649,135
2021	5,168,061
2020	2,081,112
2019	4,950,916
2018	4,824,597
2017	4,033,689
2016	2,097,310
2015	2,804,326
2014	3,342,915

*Note: 2024 includes prior year commitments of \$7,313,671

Fraser Fort George also collected data on provincial hospital requisition rates, showing a comparison of requisitions rates for taxpayers in various Regional Hospital Districts.

Figure 9 – Comparison of Top 6 Rates per \$100K with Rates per Household and 2023 Requisition Totals



The Fraser Fort George Hospital District financial plan provides additional detail on future funding needs, strategic issues, and recommendations: <https://www.rdffg.ca/media/file/approved-financial-plan-2024-2038>