STUART - NECHAKO REGIONAL HOSPITAL DISTRICT

Financial Statements

December 31, 2025

STUART-NECHAKO REGIONAL HOSPITAL DISTRICT

FINANCIAL STATEMENTS

December 31, 2025

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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

Stuart-Nechako Regional Hospital District
37, 3Rd Ave, PO Box 820
Burns Lake, BC
V0J 1E0

PH 250-692-3195
FX 250-692-3305
TF 800-320-3339

beswick hildebrandt lund

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 "Organization"), which comprise the statement of financial position as at December 31, 2025, 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 (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with the 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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

beswick hildebrandt lund
CHARTERED PROFESSIONAL ACCOUNTANTS

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 Organization'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 Organization'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 Organization 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.

beswick hildebrandt lund

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 26, 2026

STUART - NECHAKO REGIONAL HOSPITAL DISTRICT

STATEMENT OF FINANCIAL POSITION

December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	**$ 5,946,675**	$ 4,421,993
Investments (Note 3)	**10,544,050**	5,258,489
Accounts receivable	**32,059**	26,659
	16,522,784	9,707,141
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	**-**	-
ACCUMULATED SURPLUS	**$ 16,522,784**	$ 9,707,141

Approved By The Board:

Chairperson

Treasurer

STUART - NECHAKO REGIONAL HOSPITAL DISTRICT

STATEMENT OF OPERATIONS

For the year ended December 31, 2025

	2025		2024
	Budget (Note 4)	Actual	Actual
REVENUE			
Property tax requisition	$ 7,000,000	**$ 7,000,000**	$ 6,817,118
Interest	307,958	**425,974**	257,960
Miscellaneous	-	**-**	-
Grants in lieu of taxes	25,000	**26,224**	25,766
	7,332,958	**7,452,198**	7,100,844
EXPENDITURES			
Grants for capital expenditures	3,836,120	**606,682**	576,506
Administration and audit	30,000	**29,873**	26,674
	3,866,120	**636,555**	603,180
ANNUAL INCOME	3,466,838	**6,815,643**	6,497,664
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR	9,707,141	**9,707,141**	3,209,477
ACCUMULATED SURPLUS AT END OF THE YEAR	$ 13,173,979	**$ 16,522,784**	$ 9,707,141

STUART - NECHAKO REGIONAL HOSPITAL DISTRICT

STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Annual income	**$ 6,815,643**	$ 6,497,664
Changes in non-cash assets and liabilities:		
Accounts receivable	**(5,400)**	(20,410)
Total cash from operating activities	**6,810,243**	6,477,254
INVESTING		
Increase in investments	**(5,000,000)**	(5,236,045)
Reinvested	**(285,561)**	(22,444)
	(5,285,561)	(5,258,489)
INCREASE IN CASH	**1,524,682**	1,218,765
CASH AT THE BEGINNING OF THE YEAR	**4,421,993**	3,203,228
CASH AT THE END OF THE YEAR	**$ 5,946,675**	$ 4,421,993

STUART-NECHAKO REGIONAL HOSPITAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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 2025 final budget, adopted on March 27, 2025.

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.

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

	2025	2024
Bank accounts	$ 1,852,817	$ 1,402,268
Guaranteed investment certificates	4,093,858	3,019,725
	$ 5,946,675	$ 4,421,993

Cash and cash equivalents consist of 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, 2025, the guaranteed investment certificate interest rates ranged between 2.75% to 2.80% (2024 – 3.90% to 4.30%).

3. INVESTMENTS

Canaccord Investments

Institution	2025	2024	Effective Interest Rate	Maturity Date
Coast Capital Savings	$ 2,537,171	$ -	4.05%	August 19, 2030
Windsor Family Credit	2,537,171	-	4.05%	August 19, 2030
Bank of Nova Scotia	545,288	524,013	4.06%	June 14, 2034
	$ 5,619,630	$ 524,013		

Raymond James Investments

Institution	2025	2024	Effective Interest Rate	Maturity Date
Laurent Bank	$ 2,289,074	$ 2,201,032	4.00%	Nov. 15, 2027

3. INVESTMENTS, continued

Bulkley Valley Credit Union

Institution	2025	2024	Effective Interest Rate	Maturity Date
BVCU	$ 2,635,346	$ 2,533,444	3.95%	Aug. 20, 2027

Total Investments

	2025	2024
Canaccord	$ 5,619,630	$ 524,013
Raymond James	2,289,074	2,201,032
BVCU	2,635,346	2,533,444
	$ 10,544,050	$ 5,258,489

4. BUDGET

The annual budget adopted by the Board of Directors on March 27, 2025 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:

	2025
Budgeted surplus per statement of financial activities	$ 3,466,838
Surplus in the financial plan	$ 3,466,838

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 $16,460 (2024 - $15,536) to the Regional Hospital District.