



PEACE RIVER REGIONAL HOSPITAL DISTRICT

Regional Hospital District Board Meeting Agenda

June 10, 2021, The meeting will begin immediately following a PRRD Board meeting
1981 Alaska Avenue, Dawson Creek, BC

	Pages
1. CALL TO ORDER	
2. DIRECTORS' NOTICE OF NEW BUSINESS	
3. ADOPTION OF AGENDA	
4. GALLERY COMMENTS OR QUESTIONS	
5. ADOPTION OF MINUTES	
5.1. Regional Hospital District Board Draft Meeting Minutes of March 25, 2021	3
6. BUSINESS ARISING FROM THE MINUTES	
7. DELEGATIONS	
8. PETITIONS	
9. CORRESPONDENCE	
10. REPORTS	
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a. Beswick Hildebrandt Lund CPA - Presentation of 2020 Peace River Regional Hospital District Financial Statements	8
10.2. Memorandum of Understanding Renewal - Northern Health and Regional Hospital Districts, FN-RHD-012	47
10.3. Notice of Closed Session – June 10, 2021, ADM-RHD-004	58
11. BYLAWS	
11.1. PRRHD Capital Expenditure Bylaw No. 204, 2021, FN-RHD-011 - Consideration of First Three Readings and Adoption	59
12. DIARY	
13. NEW BUSINESS	

14. CONSENT CALENDAR
15. NOTICE OF MOTION
16. MEDIA QUESTIONS
17. ADJOURNMENT



HOSPITAL BOARD MEETING MINUTES

THURSDAY, MARCH 25, 2021

LOCATION Peace River Regional District Office, Dawson Creek, BC

ATTENDANCE

Directors

Chair Sperling, Electoral Area 'C'
Director Ackerman, City of Fort St. John
Director Bertrand, District of Tumbler Ridge
Director Bumstead, City of Dawson Creek
Director Courtoreille, District of Chetwynd
Director Fraser, District of Taylor
(via teleconference)
Director Goodings, Electoral Area 'B'
(via teleconference)
Director Heiberg, District of Hudson's Hope
Director Hiebert, Electoral Area 'D'
Director Zabinsky, City of Fort St. John

Alternate Directors

Alternate Director Houley, Electoral Area 'E'
Alternate Director White, Village of Pouce Coupe

Absent Directors

Vice-Chair Rose, Electoral Area 'E'
Director Michetti, Village of Pouce Coupe

Staff

Shawn Dahlen, Chief Administrative Officer
Tyra Henderson, Corporate Officer
Teri Vetter, Chief Financial Officer
Tab Young, Deputy Corporate Officer
Paulo Eichelberger, GM of Environmental Services
Kathy Suggitt, GM of Development Services
Crystal Brown, Electoral Area Manager
Jeff McDonald, Communications Manager
(via teleconference)
Trevor Ouellette, IT Manager
David Sturgeon, Protective Services Manager
Brenda Deliman, Recorder
(via teleconference)

1. CALL TO ORDER The Chair called the meeting to order at 10:42 a.m.

2. DIRECTORS' NOTICE OF NEW BUSINESS

3. ADOPTION OF AGENDA

- 3.1 Adoption of Agenda RHD/21/03/01 (25)
MOVED Director Hiebert, SECONDED Director Ackerman,
That the Regional Hospital Board adopt the March 25, 2021 Board Meeting
Agenda:
1. Call to Order
 2. Directors' Notice of New Business

(continued to next page)



3.1 Adoption of Agenda
(Cont'd)

3. **Adoption of Agenda**
4. **Gallery Comments or Questions**
5. **Adoption of Minutes**
 - 5.1 Regional Hospital District Board Draft Meeting Minutes of March 11, 2021
6. **Business Arising from the Minutes**
7. **Delegations**
8. **Petitions**
9. **Correspondence**
10. **Reports**
11. **Bylaws**
 - 11.1 Peace River Regional Hospital District Annual Budget Amendment Bylaw No. 203, 2021, FN-RHD-010
12. **Diary**
13. **New Business**
14. **Consent Calendar**
15. **Notice of Motion**
16. **Media Questions**
17. **Adjournment**

CARRIED

4. GALLERY COMMENTS OR QUESTIONS

5. ADOPTION OF MINUTES

- 5.1 RHD/21/03/02 (25)
March 11/21 RHD Board MOVED Director Fraser, SECONDED Director Ackerman,
Minutes That the Regional Hospital District Board adopt the Board Meeting Minutes of
March 11, 2021.

CARRIED

6. BUSINESS ARISING FROM THE MINUTES

7. DELEGATIONS

8. PETITIONS

9. CORRESPONDENCE

10. REPORTS

11. BYLAWS

- 11.1 RHD/21/03/03 (25)
Bylaw No. 203, 2021 MOVED Director Hiebert, SECONDED Director Ackerman,
That the Regional Hospital Board give "2021 Annual Budget Amendment Bylaw No. 203, 2021" first three readings.

CARRIED



- 11.1 Bylaw No. 203, 2021 (Cont'd) RHD/21/03/04 (25)
MOVED Director Hiebert, SECONDED Director Heiberg,
That the Regional Hospital Board adopt “2021 Annual Budget Amendment Bylaw No. 203, 2021”.

CARRIED

12. DIARY

13. NEW BUSINESS

14. CONSENT CALENDAR

15. NOTICE OF MOTION

16. MEDIA QUESTIONS

17. ADJOURNMENT The Chair adjourned the meeting at 10:44 a.m.

CERTIFIED a true and correct copy of the Minutes of the Regional Hospital District Board of the Peace River Regional District from a meeting held on March 25, 2021 in the Regional District Office Board Room, Dawson Creek, BC.

Brad Sperling, Chair

Tyra Henderson, Corporate Officer



REPORT

To: Peace River Regional Hospital District Board

Report Number: FN-RHD-013

From: Teri Vetter, Chief Financial Officer

Date: June 10, 2021

Subject: 2020 Peace River Regional Hospital District Financial Statements

RECOMMENDATION #1: [Corporate Unweighted]

That the Peace River Regional Hospital District Board accept the Draft Peace River Regional Hospital District 2020 Financial Statements and Audit Findings effective June 10, 2021.

RECOMMENDATION #2: [Corporate Unweighted]

That the Peace River Regional Hospital District Board approve the Draft 2020 Financial Statements effective June 10, 2021 and authorize the Chair and Chief Financial Officer to sign the 2020 Financial Statements.

BACKGROUND/RATIONALE:

The Canadian Auditing Standards (CAS) require that an organization's financial statements be approved by the Board of Directors before the signing of the auditor's report. The Chartered Professional Accountants of Canada dictate the format and presentation of these Financial Statements. The Chartered Professional Accountants of Canada also require that the audit firms communicate their roles and responsibilities, their method of performing the audit, and their findings to the Board of Directors and management.

The Peace River Regional Hospital District's 2020 Financial Statements were audited by Beswick Hildebrant Lund (BHL) Chartered Professional Accountants. The auditor has advised that they did not encounter any significant items to bring to management's attention during the 2020 audit.

The Financial Statements for the Peace River Regional Hospital District are comprised of the following:

- Statement of Financial Position
- Statement of Operations
- Statement of Cash Flows
- Notes to the Financial Statements
- Schedule of Reserves

It should be noted that the financial statements are prepared using the accounting standards and reporting model prescribed by the Public Sector Accounting Standards (PSAS), which requires the elimination of Transfer to/from Reserves. Additionally, the Hospital District only provides for contributions to Health Care Facilities for capital expenditures; it does not participate in the operating or wage costs of Health Care Facilities.

ALTERNATIVE OPTIONS:

1. That the Peace River Regional Hospital District Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):

In summary, on December 31, 2020, the Hospital District had \$89.09M (2019 - \$71.15M) in Reserves for funding of the new Dawson Creek and District Hospital. The long-term outstanding debt is \$63.34M (2019 - \$66.11M), details of which can be found in Note 5 of the statements.

With the reduction of outstanding debt, a significant increase in Capital Reserves and an increase in interest income due to investing, the PRRHD has improved its financial position to a \$32.5M Accumulated Surplus (2019 - \$19M).

COMMUNICATIONS CONSIDERATION(S):

Once approved, the Audited Financial Statements will be submitted to the Province and published to the PRRD website.

OTHER CONSIDERATION(S):

None.

Attachments:

1. 2020 Draft Peace River Regional Hospital District Financial Statements
2. 2020 PRRHD Audit Findings Letter

PEACE RIVER REGIONAL HOSPITAL DISTRICT

Financial Statements

December 31, 2020

DRAFT

PEACE RIVER REGIONAL HOSPITAL DISTRICT

FINANCIAL STATEMENTS

December 31, 2020

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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 2 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 Peace River 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 Peace River Regional Hospital District

Shawn Dahlen

Chief Administrative Officer

Teri Vetter

Chief Financial Officer

diverse. vast. abundant.

PLEASE REPLY TO:

☒ Box 810, 1981 Alaska Ave, Dawson Creek, BC V1G 4H8 Tel: (250) 784-3200 or (800) 670-7773 Fax: (250) 784-3201 Email: prrd.dc@prrd.bc.ca
☐ 9505 100 St, Fort St. John, BC V1J 4N4 Tel: (250) 785-8081 Fax: (250) 785-1125 Email: prrd.fsj@prrd.bc.ca

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Peace River Regional Hospital District

Opinion

We have audited the financial statements of Peace River Regional Hospital District (the Entity), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and accumulated surplus, 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, 2020, 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,
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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.

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

June 10, 2021

DRAFT

PEACE RIVER REGIONAL HOSPITAL DISTRICT

STATEMENT OF FINANCIAL POSITION

December 31, 2020

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 31,863,192	\$ 59,614,210
Investments (Note 3)	64,432,260	26,132,920
Municipal Finance Authority debt reserve (Note 4, Note 7)	1,183,194	1,159,338
Accounts receivable	<u>24,334</u>	<u>129,640</u>
	<u>97,502,980</u>	<u>87,036,108</u>
FINANCIAL LIABILITIES		
Accounts payable	174,549	-
Accrued interest	260,034	746,951
Municipal Finance Authority debt reserve (Note 4)	1,183,194	1,159,338
Long-term debt (Note 5)	63,344,008	66,107,170
Deferred revenue	<u>-</u>	<u>17,978</u>
	<u>64,961,785</u>	<u>68,031,437</u>
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS (Note 6)	<u><u>\$ 32,541,195</u></u>	<u><u>\$ 19,004,671</u></u>
CONTINGENT LIABILITIES (Note 7)		
SUBSEQUENT EVENTS (Note 8)		

Approved by:

Chairperson

PEACE RIVER REGIONAL HOSPITAL DISTRICT

STATEMENT OF OPERATIONS

For the year ended December 31, 2020

	2020		2019
	<u>Budget</u> (Note 9)	<u>Actual</u>	<u>Actual</u>
REVENUE			
Tax requisiton	\$ 15,870,707	\$ 15,870,707	\$ 18,261,469
Grants in lieu of taxes	10,000	7,053	10,876
Interest earned	200,000	1,873,875	1,554,442
MFA recovery	-	486,917	-
Actuarial adjustment on long-term debt	-	877,792	769,563
	<u>16,080,707</u>	<u>19,116,344</u>	<u>20,596,350</u>
EXPENSES			
Administrative	10,000	10,000	10,000
Interest expense	3,203,140	3,203,799	3,203,393
Grants to health care facilities	3,601,551	2,366,021	3,232,970
	<u>6,814,691</u>	<u>5,579,820</u>	<u>6,446,363</u>
EXCESS OF REVENUE OVER EXPENSES	9,266,016	13,536,524	14,149,987
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR	<u>19,004,671</u>	<u>19,004,671</u>	<u>4,854,684</u>
ACCUMULATED SURPLUS AT END OF THE YEAR (Note 6)	<u>\$ 28,270,687</u>	<u>\$ 32,541,195</u>	<u>\$ 19,004,671</u>

PEACE RIVER REGIONAL HOSPITAL DISTRICT

STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING		
Annual surplus	\$ 13,536,524	\$ 14,149,987
Items not involving cash:		
Investment (gains) losses	<u>(300,364)</u>	<u>-</u>
	<u>13,236,160</u>	<u>14,149,987</u>
Changes in non-cash assets and liabilities:		
(Increase) decrease in accounts receivable	105,306	(129,641)
Increase in accounts payable	174,549	-
Increase (decrease) in accrued interest	(486,917)	253
Increase (decrease) in deferred revenue	<u>(17,978)</u>	<u>17,978</u>
Total cash from operating activities	<u>13,011,120</u>	<u>14,038,577</u>
FINANCING		
Long-term debt principal repayments	(1,885,370)	(1,885,370)
Actuarial adjustments on long-term debt	<u>(877,792)</u>	<u>(769,563)</u>
	<u>(2,763,162)</u>	<u>(2,654,933)</u>
INVESTING		
Increase in investments	(37,595,458)	(26,132,919)
Investment gains - reinvested	<u>(403,518)</u>	<u>-</u>
	<u>(37,998,976)</u>	<u>(26,132,919)</u>
Decrease in cash	<u>(27,751,018)</u>	<u>(14,749,275)</u>
Cash beginning of year	<u>59,614,210</u>	<u>74,363,485</u>
Cash end of year	<u><u>\$ 31,863,192</u></u>	<u><u>\$ 59,614,210</u></u>

PEACE RIVER REGIONAL HOSPITAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

The Notes are an integral part of these financial statements. The following explains the significant accounting policies and reporting principles underlying these statements. The Notes also provide relevant supplementary information and explanations.

1. NATURE OF PEACE RIVER REGIONAL HOSPITAL DISTRICT OPERATIONS

The Peace River Regional Hospital District ("PRRHD") is incorporated under the Hospital District Act, a Statute of the Province of British Columbia. The PRRHD Board is comprised of municipal and electoral area directors who are members of the Regional District Board. In the Province of British Columbia, the Regional Hospital Districts (RHDs) for the purpose of raising capital funds for the hospital facilities in their areas.

The PRRHD provides the local share (typically 40%) of funding for capital costs associated with the construction, acquisition and maintenance of hospital facilities and other major tangible capital assets such as equipment. The capital costs are shared with the Northern Health Authority; and, the ownership and management of all tangible capital assets are solely the responsibility of the Northern Health Authority. Therefore, the PRRHD does not record any tangible capital assets and does not report the Statement of Changes in Net Assets.

The principal activities of the PRRHD are to fund capital equipment purchases and finance capital construction projects for Health Care Facilities within the RHD. The PRRHD does not maintain government administration or operations, because this service is contracted to the management of Regional District. The activities of the PRRHD are primarily recovered through property tax requisitions, but the PRRHD also earns interest income and receives grants in lieu.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards as developed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods and services and/or the creation of a legal obligation to pay.

Tax requisitions

Tax requisitions are recognized as revenue in the year that they are levied because the tax revenues result from non-exchange transactions that are compulsorily paid to the government in accordance with the laws and regulations established to provide revenue to the PRRHD for the provision of public services. The property tax revenue relies on market assessments of land value that are subject to appeal. Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. Estimates are made of potential adjustments to taxes. Any additional adjustments required over those estimates are recognized at the time they are awarded, in accordance with the Surveyor of Taxes.

PEACE RIVER REGIONAL HOSPITAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Cash & cash equivalents

Cash and cash equivalents consists of monies held in the general bank, high-interest savings accounts and investments held with a maturity date of three months or less.

Investments

The investments are held by a fund manager in guaranteed investment certificates (GIC) or marketable securities with Canaccord and Bank of Montreal. MFA investments consist of bond and intermediate funds recorded at fair value, which approximates cost. Investment income is reported in the period earned.

Deferred revenues

Funds from external parties (Government transfer, contributions and other amounts received from third parties) and earnings thereon restricted by legislation, regulation or agreement that may only be used in the conduct of certain programs or the completion of specific work are accounted for as deferred revenue until used for the purpose specified.

Surplus funds in Reserve

Funds raised for future operating and capital purposes, as approved by the Board of Directors and in accordance with Section 20(4) of the Hospital District Act, are set aside in reserves within accumulated surplus.

Debt

Debt is recorded net of principal repayments and actuarial adjustments, in accordance with the Municipal Finance Authority of British Columbia ("MFA"). Sinking fund balances, managed by MFA, are used to reduce municipal debt.

Actuarial adjustments

The actuarial adjustment is the anticipated earnings on principal payments received. Currently, it is first recognized 1 year after the receipt of the first principal payment on the loans and then recognized annually thereafter until expiry of the loans.

The debt is reduced by principal payments as well as actuarial adjustments which represent earnings on sinking funds. Actuarial adjustments represent interest earned on sinking funds held by the MFA. This interest is used to reduce the principal amount of the outstanding debt. In the year the debt is reduced by the actuarial recognized by MFA, the PRRHD accounts for this as revenue on the statement of operations as actuarial contribution.

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.

PEACE RIVER REGIONAL HOSPITAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Financial Instruments

The PRRHD's financial instruments consist of cash, accounts receivable, debt charges recoverable, reserve deposits, accounts payable and accrued liabilities, deposit liabilities, and long-term debt. It is management's opinion that the PRRHD is not exposed to significant credit, liquidity, interest, currency or other price risks arising from these financial instruments. The financial instruments are recorded at book value with the exception of investments with MFA.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The impairment amount is written down to the net recoverable value and recognized in net income. The previously recognized impairment loss may be reversed to the extent of the impairment, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results will depend on future economic events and could differ from those estimates.

Budget

The budget amounts presented throughout these financial statements represent the 2020 Annual Operating Budget Bylaw No. 199, 2020, approved by the Regional Hospital District Board on February 26, 2020. The budget anticipates use of capital reserve funds to balance against current year expenditures in excess of current year revenues.

Statement of Changes in Net Financial Assets

A statement of changes in net financial assets has not been prepared as the PRRHD does not have any financial assets, therefore, a reconciliation of annual surplus to net financial assets does not provide further meaningful information.

Related Party Transactions

The Peace River Regional District ("Regional District") is related to the Regional Hospital District since the same individuals are members of the Board of Directors of both organizations. As legislated by the Hospital District Act, the officers and employees of the Regional Hospital District are corresponding officers and employees of the Regional District. Each of the Regional Hospital District and Regional District are separate legal entities as defined by separate Letters Patent and authorized by separate legislation. During the year, Regional Hospital District purchased, at a cost of \$10,000 (2019 - \$10,000), administrative support services from the Regional District. These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

PEACE RIVER REGIONAL HOSPITAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

3. INVESTMENTS

Canaccord Investments

<u>Institution</u>	<u>2020</u>	<u>2019</u>	<u>Effective Interest Rate</u>	<u>Maturity Date</u>
Affinity	\$ 5,076,849	\$ -	2.20%	Apr. 20, 2021
Coast Capital Savings	5,076,849	-	2.20%	Apr. 20, 2021
DUCA Credit Union	8,887,889	-	1.10%	Nov. 25, 2021
DUCA Credit Union	8,890,516	-	1.40%	Nov. 25, 2022
Haventree Bank	8,993,652	-	1.55%	Nov. 20, 2023
Alterna	-	8,775,884	2.60%	Nov. 17, 2020
DUCA Credit Union	-	8,669,969	2.58%	Nov. 24, 2020
DUCA Credit Union	-	8,671,245	2.73%	Nov. 24, 2020
	<u>\$ 36,925,755</u>	<u>\$ 26,117,098</u>		

Municipal Finance Authority of BC Investments

	<u>2020</u>	<u>2019</u>
MFABC Short Term Bond	\$ 10,320,994	\$ -
MFABC Money Market Fund	6,643	15,822
MFA BC Fossil Fuel Free Bond Fund	5,061,868	-
	<u>\$ 15,389,505</u>	<u>\$ 15,822</u>

Bank of Montreal Investments

<u>Institution</u>	<u>2020</u>	<u>2019</u>	<u>Effective Interest Rate</u>	<u>Maturity Date</u>
BMO	\$ 6,057,600	\$ -	1.60%	May 26, 2021
BMO	6,059,400	-	1.65%	Nov. 26, 2021
	<u>\$ 12,117,000</u>	<u>\$ -</u>		

Total Investments

	<u>2020</u>	<u>2019</u>
Canaccord	\$ 36,925,755	\$ 26,117,098
Municipal Finance Authority	15,389,505	15,822
BMO	12,117,000	-
	<u>\$ 64,432,260</u>	<u>\$ 26,132,920</u>

PEACE RIVER REGIONAL HOSPITAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

4. MUNICIPAL FINANCE AUTHORITY DEBT RESERVE

With respect to amounts financed through Authority, the Regional Hospital District is required to pay into a Debt Reserve Fund administered by the Authority, an amount equal to one-half the average annual installment of principal and interest relative to any borrowing for its own purposes. This amount may be paid either in full or in an amount of cash equal to 1% of the principal amount borrowed together with a non-interest bearing demand note for the balance. If, at any time, the Regional Hospital District does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments or sinking fund contributions shall be made from the Debt Reserve Fund. The demand notes payable to the Authority are callable only if there are additional requirements to be met to maintain the level of the Debt Reserve Fund.

This change is supported by the definition of sections PS 3300.03 *Contingent Liability*, which suggests that when the existence of a contingent liability at financial statement date is unlikely to occur, it would be accounted for in accordance with section PS 2120 *Accounting Changes* in the current period and not with a retrospective treatment.

5. LONG-TERM DEBT

	Interest Rate	Maturity Date	2020	2019
UGrant (MFA 112) - New FSJ Hospital	1.28%	Oct. 6, 2037	\$ 62,841,106	\$ 65,390,915
UGrant (MFA 77/165) - FSJ Hosp Redevelop	1.75%	Jun. 1, 2022	350,628	513,522
UGrant (MFA 77/159) - DC+ Food Serv Cons	1.75%	Jun. 1, 2022	69,012	101,073
UGrant (MFA 81/165) - FSJ Hosp Redevelop	2.85%	Apr. 22, 2024	49,593	60,551
UGrant (MFA 81/159) -DS+ Food Serv Cons	2.85%	Apr. 22, 2024	33,669	41,109
			<u>\$ 63,344,008</u>	<u>\$ 66,107,170</u>

Principal payment commitments for the next five years, assuming no change in the terms or interest rates as follows:

2021	\$ 2,108,830
2022	2,108,830
2023	2,023,772
2024	2,023,772
2025	2,014,922
2026 & Thereafter	53,063,882
	<u>\$ 63,344,008</u>

As of December 31, 2020, the accrued interest totaled \$260,034 (2019 - \$746,951). This resulted in a recovery of \$486,917 due to decrease in interest rates during the year.

PEACE RIVER REGIONAL HOSPITAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

6. ACCUMULATED SURPLUS (DEFICIT)

	2020	2019
Unrestricted Surplus	\$ 2,755,687	\$ 4,325,518
Capital Reserve Fund (Schedule 1)	91,553,203	73,684,878
Grant Reserve Fund (Schedule 1)	1,576,313	7,101,445
	<u>95,885,203</u>	<u>85,111,841</u>
Temporary borrowing and debenture debt to be recovered from future requisitions (Note 5)	<u>(63,344,008)</u>	<u>(66,107,170)</u>
	<u>\$ 32,541,195</u>	<u>\$ 19,004,671</u>

The unappropriated surplus is the amount of accumulated surplus remaining after deducting the other accumulated surplus components. Where this amount is supported by cash and net short term receivables, it is available to temporarily finance operations until planned revenues (i.e. property taxes, grants, etc.) are received, or for other operating or capital purposes as determined by the Board.

Appropriated surplus is the amount of accumulated surplus, supported by a portion of the PRRHD's cash and receivables, set-aside by decision of the Board for a specified purpose as per section 20(4) of the Hospital District Act. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

7. CONTINGENT LIABILITIES

The District has a contingent liability with respect to the Municipal Finance Authority of BC (MFA) Debt Reserve Fund Demand Note. As a condition of the borrowing undertaken by the Hospital District, the Hospital District was required to contribute to the MFA Debt Reserve through a demand note. The demand note will only be recorded as an asset and liability if a local government defaults on the loan obligation. Upon this action of the default, the MFA may call the outstanding demand notes, at which point the demand notes then become an asset and a liability. Once the defaulting local government repays in full the defaulted position, the MFA will return all called demand notes. It is generally unlikely that the funds will be demanded by the MFA; therefore, the contingent liability has not been recorded in the financial statements. As of December 31, 2020, the demand notes total \$1,734,206 (2019 - \$1,734,206).

8. SUBSEQUENT EVENTS

The Coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organization and has had a significant global financial and economic impact. For the reporting date of December 31, 2020, the COVID-19 is considered by management as a non-adjusting event. Consequently, there is no impact on the recognition and measurement of assets and liabilities.

The PRRHD understands this health and economic crisis presents uncertainty over future cash flows, and for future operations. An estimate of the financial effect is not practicable at this time.

PEACE RIVER REGIONAL HOSPITAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

9. BUDGET

The PRRHD budget is publicly available at www.prrd.bc.ca. PRRHD prepares its budget with consideration of revenues and expenditures without accrual adjustments. Given the PRRHD does not hold any tangible capital assets there are no other adjustments to the budget for financial statement reporting purposes.

	2020
Budgeted surplus per statement of operations	\$ 9,266,016
Add: Transfer from NH reserve for future requests	-
Transfer from grant reserve	5,496,921
Transfer from reserve (from NH for "old Hospital Debt")	122,433
	14,885,370
Less: Debenture - principal	(1,885,370)
Transfer to capital reserve	(13,000,000)
Actuarial gain on debt	-
	(14,885,370)
	\$ -

10. COMPARATIVE FIGURES

Certain prior year figures, presented for comparative purposes, have been reclassified to conform to the current year's financial statement presentation.

PEACE RIVER REGIONAL HOSPITAL DISTRICT

SCHEDULE 1 - SCHEDULE OF RESERVES

For the year ended December 31, 2020

	<u>2020</u>	<u>2019</u>
GRANT RESERVE FUND		
Appr Surp - NH Funds for Future Requests	\$ 1,576,313	\$ 1,645,328
Business Case (2% of \$250M project)	-	3,551,972
DCH Sterilization Dept. Renos	-	525,479
FSJ Medical Clinic 3rd Pod	-	453,772
DCH Remote Multipurpose Fluorescent Room	-	420,084
IT Primary Care & Business Reporting	-	254,761
FSJ X-Ray Rad Rex Room	-	222,185
Health Link North: Cerner Upgrade	-	16,687
CHET Automated Med. Dispensing	-	11,177
	<u>\$ 1,576,313</u>	<u>\$ 7,101,445</u>
CAPITAL RESERVE FUND		
Future Capital Reserve	\$ 89,090,520	\$ 71,145,231
Old FSJ Hospital Debenture Reserve	<u>2,462,683</u>	<u>2,539,647</u>
	<u>\$ 91,553,203</u>	<u>\$ 73,684,878</u>

Peace River Regional Hospital District

Year-End Audit Findings Report to Board of Directors

**For the year ending
December 31, 2020**

Prepared as of May 31, 2021

May 31, 2021

Board of Directors
Peace River Regional Hospital District
1981 Alaska Avenue
Dawson Creek, British Columbia
V1G4H8

Dear Board of Directors:

Re: Audit Findings

We prepared the accompanying report to assist you in your review of the financial statements of Peace River Regional Hospital District for the year ending December 31, 2020. 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 Peace River Regional Hospital District (the entity) prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) for the year ended December 31, 2020. 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: Teri Vetter, 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;
- 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 March 30, 2021:

- 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 2 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 accumulated uncorrected misstatements that we identified during our audit and communicated them to management. We then requested that management correct these misstatements. All uncorrected misstatements for the current year have been corrected.

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 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 Peace River 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 Chartered Professional Accountants

Appendix A: Audit Report

Please see attached report.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Peace River Regional Hospital District

Opinion

We have audited the financial statements of Peace River Regional Hospital District (the Entity), which comprise the statement of financial position as at December 31, 2020, 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, 2020, 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
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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.

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

June 10, 2021

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Appendix B: Management Representation Letter

Please see attached letter.

June 10, 2021

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 Peace River Regional Hospital District for the year ended December 31, 2020, 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 December 9, 2020 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 Peace River Regional Hospital District is subject. We have prepared the Peace River Regional Hospital District's financial statements on the basis that the Peace River 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, 2020 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 Peace River 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 Peace River 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, 2020 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 Peace River 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 Peace River 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. Peace River 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.

We have reviewed, approved and recorded all of your proposed adjustments, summarized in Appendix B, to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

Other Representations

Accounting Policies

We confirm that we have reviewed the Peace River 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 Peace River 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 Peace River Regional Hospital District's

operations and the Peace River 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 Peace River Regional Hospital District.

All cash balances are under the control of the Peace River 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 Peace River 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 Peace River Regional Hospital District are included in the financial statements.

Accounts Receivable

All amounts receivable by the Peace River 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 Peace River 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, 2020 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.

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 February 26, 2020. Planned results were presented for the same scope of activities and on a basis consistent with that used for actual results.

Yours truly,

Teri Vetter, Chief Financial Officer

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Appendix A: Related Parties

See attached proposed related parties summary.

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Appendix A: Related parties listing

Board of Directors and their immediate family members:

- Brad Sperling, Chair
- Dan Rose, Vice Chair
- Karen Goodings, Director
- Leonard Hiebert, Director
- Allen Courtoreille, Director
- Dale Bumstead, Director
- Lori Ackerman, Director
- Tony Zabinsky, Director
- Dave Heiberg, Director
- Barb Smith, Director
- Rob Fraser, Director
- Keith Bertrand, Director

Finance Department and their immediate family members:

- Teri Vetter, Chief Financial Officer

Peace River Regional District

Appendix B: Proposed Audit Adjustments

See attached proposed audit adjustments.

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Peace River Regional Hospital District**Year End: December 31, 2020****Adjusting journal entries****Date: 2020-01-01 To 2020-12-31**

Number	Date	Name	Account No	Debit	Credit
1	2020-12-31	Rotary Manor Chiller Repl #N652140001	01-2-1200-302	98,750.38	
1	2020-12-31	FSJ Medical Clinic 3rd Pod	01-2-1200-353	75,798.16	
1	2020-12-31	Trade payables	01-4-0570-000		-98,750.38
1	2020-12-31	Trade payables	01-4-0570-000		-75,798.16
To record December 2020 AP paid in Janaury 2021					
2	2020-12-31	Recovery on MFA	01-1-1200-150	252.53	
2	2020-12-31	Debenture - Interest	01-2-1200-262		-252.53
To record correcting entry regarding recovery in MFA amount.					



REPORT

To: Peace River Regional Hospital District Board

Report Number: FN-RHD-012

From: Teri Vetter, Chief Financial Officer

Date: June 10, 2021

Subject: Memorandum of Understanding – Northern Health and Regional Hospital Districts

RECOMMENDATION: [Corporate Weighted]

That the Peace River Regional Hospital District Board approve the renewal of the Memorandum of Understanding (MOU) between Northern Health and the six member Regional Hospital Districts (RHDs), which sets out the responsibilities of the Regional Districts and Northern Health for the development and approval of funding for capital projects, including equipment and clinical information technology, effective October 18, 2021, further, that the Chair be authorized to sign the agreement on behalf of the Regional Hospital District Board.

BACKGROUND/RATIONALE:

The MOU was last renewed for a two-year term in October 2019. The attached 2021 MOU is a renewal of the existing MOU, with no proposed amendments to the agreement. The current MOU expires in October, 2021, and Northern Health hopes to hold a signing ceremony at the fall NH/RHD meeting in Prince George if health restrictions permit gatherings.

The MOU defines that Northern Health is responsible for all health care services within the Northern BC region comprising of Northwest, Northeast, and Northern Interior Health Service delivery areas. It also defines that the RHD's are responsible for voluntarily providing funding based on a cost-shared formula to Northern Health for capital (typically 40%). The MOU provides the framework for communications and interaction between Northern Health and their member RHDs and have become the standard for Health Authorities across the Province to strive to achieve.

ALTERNATIVE OPTIONS:

1. That the Peace River Regional Hospital District Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Partnerships
- ☒ Collaboration with Local and First Nations governments

FINANCIAL CONSIDERATION(S):

The MOU has no impact on the 2021 Annual RHD budget that was approved on March 25, 2021.

COMMUNICATIONS CONSIDERATION(S):

Once approved, Northern Health will be advised that the Peace River Regional Hospital District will enter into the MOU as presented.

OTHER CONSIDERATION(S):

None.

Attachments:

1. Memorandum of Understanding, Northern Health & Regional Hospital Districts (October 2021)

Memorandum of Understanding

THIS UNDERSTANDING made as of the 7th day of October, 2003 and renewed, as amended, the 18th day of October, 2021.

BETWEEN:

NORTHERN HEALTH

(hereinafter called "NH")

AND:

OF THE FIRST PART

**CARIBOO-CHILCOTIN REGIONAL HOSPITAL DISTRICT
FRASER-FORT GEORGE REGIONAL HOSPITAL DISTRICT
NORTH WEST REGIONAL HOSPITAL DISTRICT
NORTHERN ROCKIES REGIONAL HOSPITAL DISTRICT
PEACE RIVER REGIONAL HOSPITAL DISTRICT
STUART-NECHAKO REGIONAL HOSPITAL DISTRICT**

(hereinafter called "RHDs")

OF THE SECOND PART

WHEREAS:

- A) NH is responsible for all health care services within the Northern British Columbia region comprising of Northwest, Northeast and Northern Interior Health Service Delivery Areas, and
- B) The RHDs are responsible, on a voluntary basis, for providing funding based on a cost-shared formula to NH for capital, including equipment and clinical information technology projects, within their respective service areas in accordance with the *Hospital District Act*.

Intent:

In order for the planning and funding of equipment, clinical information technology and capital projects to be effective and efficient while ensuring accountability, the parties agree with each other as follows:

1. Upon receiving the funding envelope from the province for *Capital Improvement Projects*, NH will allocate the capital funding for *Minor Capital Projects and Equipment < \$100K* among the three Health Service Delivery Areas (HSDAs.) Each HSDA will contact its respective RHD to share the plan by community, including identifying funding allocation by each community, for feedback.

2. Upon receiving the funding envelope from the province for *Capital Improvement Projects*, NH will present proposals at a meeting of the Chairs/Staff of all RHDs within the region to seek feedback and identify funding requirements. *Capital Improvement Projects* requiring RHD funding will be presented to the regional planning group before being presented to the NH Board for approval.
3. Capital equipment projects over \$100,000 will be prioritized on an NH-wide basis and presented to the RHDs for feedback and to identify requirements prior to being presented to the NH Board for approval.
4. Capital Projects requiring debt servicing or other forms of funding by NH, not included above and which historically would receive RHD funding, will be presented to a meeting of the Chairs/Staff of all RHDs within the region to seek feedback and identify funding requirements prior to being presented to the NH Board for approval.
5. NH will provide three-year capital plans including construction, clinical information technology and equipment outlining funding requirements to the respective RHDs by November 1st of each year, recognizing that it will take time for NH to develop suitable plans integrated with service plans.
6. RHDs may examine widening the scope of projects that will be cost-shared under legislation, subject to RHD taxation limits.
7. NH will submit a summary of projects and/or equipment costing under \$100K to the RHDs for their review, annually. NH will submit a summary of the projects and/or equipment costing over \$100K to the RHDs for reimbursement. RHDs reserve the right to request further detailed invoice copies.
8. For any project with an estimated cost greater than \$1 million, including professional services, construction and equipment, the RHD may require the use of a *Project Implementation and Accountability process* (see Appendix 1.)
9. The disposal of NH capital assets and disposition of proceeds will follow the guidelines set out in Appendix 2.
10. Subject to Ministry of Health review and approval, media releases announcing capital expenditures for which RHD funding is supplied will be jointly produced and released by NH and the RHD.
11. a) RHDs may provide funding for projects within their geographic boundaries and for clinical information technology and projects or equipment outside their boundaries where there is a greater service area and there is an agreement amongst benefiting RHDs and NH for cost-sharing such projects.

- b) Each RHD maintains the flexibility to negotiate independently with NH without prejudice and precedence for issues relating to the capital plan within the RHD boundary.
12. The parties agree to meet twice each year to discuss planning and funding of equipment and capital projects. NH agrees to schedule additional meetings with the individual RHD's to discuss specific capital projects and operational issues as the need arises.
- a) Spring joint meetings will focus on the Capital Plan and business matters.
 - b) Fall joint meetings will focus on preparation of the Capital Plan and feedback on strategic directions in preparation for the NH Board fall planning session.
13. The NH Board will provide opportunity for each RHD to meet annually with the NH Board when the Board is meeting in the RHD's jurisdiction. The purpose of this meeting is:
- a) to discuss matters of mutual concern related to the Capital Plan, and
 - b) to receive any other feedback and input.
14. RHDs will have opportunity to meet with NH's Board Chair and Chief Executive Officer during the course of the North Central Local Government Association (NCLGA) and Union of B.C. Municipalities (UBCM) events held each year to discuss the Capital Plan and related issues.
15. NH's Chief Operating Officers (COOs) from each HSDA will attend RHD meetings upon request for discussion of ad-hoc items to ensure timely communication of issues.
16. This agreement will be reviewed every two years by NH and RHDs to ensure the process is accountable and effective. Any party can terminate its participation by giving 90 days' notice in writing to all parties of its intent to do so.

IN WITNESS WHEREOF the parties have executed this Memorandum of Understanding as of the day, month and year first above written.

Chair, Cariboo-Chilcotin Regional Hospital District

Chair, Fraser-Fort George Regional Hospital District

Chair, Northern Rockies Regional Hospital District

Chair, North West Regional Hospital District

Chair, Peace River Regional Hospital District

Chair, Stuart-Nechako Regional Hospital District

Chair, Northern Health

APPENDIX 1

NORTHERN HEALTH / REGIONAL HOSPITAL DISTRICT PROJECT IMPLEMENTATION AND ACCOUNTABILITY PROCESS

POLICY

Northern Health (NH) is responsible for Capital Projects and Regional Hospital Districts (RHDs) are responsible to the taxpayer and require accountability regarding Capital Projects from Health Authorities. NH has the expertise to implement projects and RHDs reserve the right to decide the amount of funding contribution to the projects.

NH and RHDs agree that projects are to be developed using the following guidelines:

PROJECTS OVER \$1 MILLION

Preliminary Planning

Projects over \$1 million should be included in the five-year prioritized major capital project plan, and be consistent with the facility role and service plan.

Scope of Project

Northern Health will develop the scope of the project with consultation from their stakeholders and user groups. A Project Brief will be presented to the RHD for approval- in-principle. The RHD may wish to consider approval of planning funds at this stage.

Project Brief includes:

- Needs Assessment
- Project description (including scope)
- Location
- Preliminary cost estimate

Planning

NH's formal request to the RHD will include the same project planning documentation as presented to NH's Board for their approval. It is anticipated this documentation will include:

- Detailed Project Scope
- Conceptual and schematic estimates
- Project delivery time schedule
- Strategic importance
- Cost estimate
- Recommended reporting schedule to the RHD
- Other information applicable to the project

Implementation

Progress reports will be provided to the RHD on a regular basis, as agreed to with individual RHDs in compliance with the agreed scope of the project. Requests for funding will include actual monthly expenditures, budgetary status report and list of change orders and cannot exceed actual expenses incurred as reported on the status report. RHDs reserve the right to request invoices.

Project Management

If a project is likely to diverge from the original scope or implementation schedule, NH will inform the RHD in a timely manner, identifying the reasons for the variance, the financial implications, the time frame implications and impacts on the projected completion date. Failure to notify the RHD may jeopardize the RHD portion of incremental project funding.

NH may make a request to the RHD for funding contributions for cost overruns; however, the RHD is not obligated to approve such requests.

Any scope change or reallocation of project funds over 5% requires RHD consent. In the event that cost savings on the total project are generated, NH will contact the RHD and report the amount and provide an explanation.

PROJECTS BETWEEN \$100,000 AND \$1 MILLION

Northern Health to provide:

- A Scope of Work for the project. This project brief will include an understanding of the need, priority, schematic design (if required), and order of magnitude budget.
- NH will provide the RHD with an annual list of all proposed projects for the current fiscal year for their budget consideration and feedback. A five-year plan will also be provided at this time.
- NH will, to the best of its abilities, complete all projects on time, on budget and within scope.
- NH will attend the RHD Board meetings to provide updates on any or all projects, if requested.

Reports to be provided by Northern Health:

- Quarterly update to the RHD. This update includes a schedule describing the progress for each approved project from schematic design through to final completion of the project. It also provides the estimated construction timeframe and proposed completion date. This information is to be used in the planning of any opening ceremonies.

- NH will advise the RHD immediately, in writing, of any project with the potential of significant changes to the scope of work or budget overrun, detailing the change and/or cost overrun.
- NH may make a request to the RHD for funding contributions for cost overruns, however the RHD is not obligated to approve such requests.

THE FOLLOWING WILL BE APPLICABLE TO ALL PROJECTS

Public/Private Partnerships

Should NH enter into public/private partnership with RHD involvement, a different project implementation approach and accountability process may be required, which will be decided in the initial planning stages.

Completion

Subject to Ministry of Health review and approval, NH and the RHD will arrange joint press releases in accordance with their Memorandum of Understanding. Media events, such as project approval, sod turning and facility openings, shall ensure recognition and include participation of funding partners.

APPENDIX 2

DISPOSAL OF NORTHERN HEALTH CAPITAL ASSETS AND DISPOSITION OF PROCEEDS

POLICY

Northern Health (NH) will work with respective Regional Hospital Districts (RHDs) and in compliance with the Ministry of Health Capital Asset Management Plan in the disposal of NH capital assets and the disposition of proceeds as follows:

1. Disposal of Health Authority Capital Assets

NH will consult with an RHD regarding disposal of capital assets, including equipment, land and buildings, with an initial capital cost over \$500,000 that have been cost-shared by that RHD. The sale or disposal of the asset will be in accordance with Ministry of Health policy.

In the event that an outstanding RHD debt remains on the property, NH will negotiate repayment through agreement with the RHD and/or the Ministry.

Any “trade in allowance” or “proceeds of sale” of assets which the RHD has cost-shared shall be applied to the purchase of the replacement asset or, if the asset is not to be replaced, NH will negotiate the use of the proceeds of the sale or disposal towards an item on the NH Capital Plan within the RHD.

2. Transferring Assets within RHD Boundaries

When a major capital asset that a RHD has cost-shared is moved to another facility within the RHD boundaries, NH will consult with the RHD prior to transferring the asset from one facility to another.

3. Transferring Assets outside RHD Boundaries

When a major capital asset that a RHD has cost-shared is moved to another facility outside the RHD, the RHD Board will be asked for their consent prior to transferring the asset.

4. Change to Function

If NH plans to substantively change the function of a capital asset (facility or component thereof) that the RHD has cost-shared, NH will consult with that RHD prior to any such conversion. Examples include hospital conversion to complex care, complex care conversion to supportive housing.

The RHD may wish to negotiate repayment of any outstanding debt and/or compensation.

Emergency movement of equipment, making space available for care due to a catastrophic facility failure or other event, NH and the RHD agree: 1. that the RHD will be notified as soon as possible after the event starts; and 2. that consultation and consent will be discussed after the event.

DRAFT



REPORT

To: Peace River Regional Hospital District Board

Report Number: ADM-RHD-004

From: Kori Elden, Executive Assistant/HR Generalist

Date: June 10, 2021

Subject: **Notice of Closed Session – June 10, 2021**

RECOMMENDATION: [Corporate Unweighted]

That the Regional Hospital District Board recess to a Closed Meeting for the purpose of discussing the following items:

Agenda Item 3.1 and 7.1 – Closed Meeting Minutes & Items for Release (CC Section 97(1)(b))

BACKGROUND/RATIONALE:

As per the Closed Meeting Process and Proactive Disclosure Policy.

ALTERNATIVE OPTIONS:

1. The Regional Hospital District Board may recess to a Closed Meeting to discuss whether or not the items proposed properly belong in a Closed Session. *Community Charter* Section 90(1)(n).

STRATEGIC PLAN RELEVANCE:

☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):

Not applicable.

COMMUNICATIONS CONSIDERATION(S):

Not applicable.

OTHER CONSIDERATION(S):

Not applicable.



REPORT

To: Peace River Regional Hospital District Board

Report Number: FN-RHD-011

From: Teri Vetter, Chief Financial Officer

Date: June 10, 2021

Subject: PRRHD Capital Expenditure Bylaw No. 204, 2021

RECOMMENDATION #1: [Corporate Weighted]

That the Regional Hospital District Board give "Peace River Regional Hospital District Capital Expenditure Bylaw No. 204, 2021", which authorizes expenditure of \$150,229,000 for the demolition and the replacement of the Dawson Creek and District Hospital, first, second, and third reading.

RECOMMENDATION #2: [Corporate Weighted – 2/3 Majority]

That the Regional Hospital District Board adopt "Peace River Regional Hospital District Capital Expenditure Bylaw No. 204, 2021".

BACKGROUND/RATIONALE:

The Peace River Regional Hospital District approved funding 40% of the \$377,860,000 total budget for the Dawson Creek and District Hospital project, which amounted to \$150,229,000.

Section 32 of the *Hospital District Act* states "A board that proposes to borrow or spend money to meet capital expenditures, must prepare, in consultation with the minister, and enact, a capital bylaw permitting the borrowing or spending of that money." Therefore, a bylaw has to be adopted in order to fund the construction of the Dawson Creek and District Hospital project.

ALTERNATIVE OPTIONS:

1. That the Peace River Regional Hospital District Board provide further direction.

STRATEGIC PLAN RELEVANCE:

☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):

As of December 31, 2020, the Capital Reserve for the new hospital build was \$89,090,520. If requisition for the new hospital reserve remains static at \$13M for the next 4 years (2022 – 2025) and based on Northern Health's cash flow estimates as of March 31, 2021, the PRRHD will not have to long-term borrow for this project as seen in the table below:

	2021	2022	2023	2024	2025
Opening Balance	89,090,520	94,763,520	75,051,520	55,253,520	29,079,520
Add: Requisition	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Less: Capital Expenses	7,327,000	32,712,000	32,798,000	39,174,000	38,218,000
Closing Balance	\$94,763,520	\$75,051,520	\$55,253,520	\$29,079,520	\$3,861,520

Additionally, as seen in the table, if the capital budget increases and the Board approves it, the PRRHD will have approximately \$3.9M for contingency plus any interest earned on the reserve fund.

COMMUNICATIONS CONSIDERATION(S):

Once adopted, the “Peace River Regional Hospital District Capital Expenditure Bylaw No. 204, 2021” will be sent to the Ministry.

OTHER CONSIDERATION(S):

None at this time.

Attachments:

1. PRRHD Capital Expenditure Bylaw No. 204, 2021

PEACE RIVER REGIONAL HOSPITAL DISTRICT

Bylaw No. 204, 2021

Capital Expenditure Bylaw

WHEREAS the Board of Directors of the Peace River Regional Hospital District proposes to expend money for the capital expenditures described in Schedule 'A', attached hereto and forming an integral part of this bylaw;

AND WHEREAS those capital expenditures have received approval required under Section 23 of the *Hospital District Act*;

NOW THEREFORE, the Peace River Regional Hospital District Board of Directors, in open meeting assembled, enacts the following capital expenditure bylaw as required under section 32 of the *Hospital District Act*:

1. This bylaw may be cited for all purposes as the "Peace River Regional Hospital District Capital Expenditure Bylaw No. 204, 2021."
2. The Board hereby authorizes and approves expenditure of money necessary to complete the capital expenditures as described in Schedule 'A' attached hereto, totaling One Hundred Fifty Million Two Hundred Twenty Nine Thousand Dollars (\$150,229,000).
3. The payment of the portion that the Regional Hospital District is responsible for shall be funded through monies budgeted in the current year of operation.
4. The Board hereby delegates the necessary authority to the Chief Financial Officer to settle the terms and conditions of the expenditure.

READ A FIRST TIME THIS _____ day of _____, 2021.

READ A SECOND TIME THIS _____ day of _____, 2021.

READ A THIRD TIME THIS _____ day of _____, 2021.

ADOPTED THIS _____ day of _____, 2021.

Chair

(Corporate Seal has been affixed to
the original bylaw)

Corporate Officer

Schedule A attached

I hereby certify this to be a true and correct copy of "Peace River
Regional Hospital Capital Expenditure Bylaw No. 204, 2021",
as adopted by the Peace River Regional District Hospital Board
on _____, 20____.

Corporate Officer

SCHEDULE A – CAPITAL EXPENDITURES

Name of Facility	Project or Equipment Description	Project No.	RHD Share (40%)	Provincial Share (60%)	Total Project
Dawson Creek & District Hospital	Replacement & Demolition of old hospital and Energy Conservation Measure Bundle	# N652130002	\$150,229,000	\$227,631,000	\$377,860,000
		TOTAL	\$150,229,000	\$227,631,000	\$377,860,000