

**STUART-NECHAKO REGIONAL HOSPITAL DISTRICT**  
**AGENDA**  
**THURSDAY, FEBRUARY 25, 2021**

**CALL TO ORDER**

**SUPPLEMENTARY AGENDA**

Receive

**AGENDA** – February 25, 2021

Approve

**PAGE NO.**

**MINUTES**

**ACTION**

2-5

Stuart-Nechako Regional Hospital District  
Meeting Minutes – January 28, 2021

Adopt

**DELEGATION**

Michael Hoefler, Regional Director, Capital  
Planning and Support Services, Northern Health  
RE: Stuart Nechako Manor

**REPORTS**

6-10

John Illes, Treasurer – Budget for 2021 and  
Expenditure Bylaw

Recommendation

11-32

John Illes, Treasurer – Audit Findings for 2021

Receive

**VERBAL REPORTS**

**RECEIPT OF VERBAL REPORTS**

**SUPPLEMENTARY AGENDA**

**NEW BUSINESS**

**ADJOURNMENT**

**STUART-NECHAKO REGIONAL HOSPITAL DISTRICT****MEETING (VIRTUAL) MINUTES****THURSDAY, JANUARY 28, 2021**

PRESENT: Chair Jerry Petersen

Directors Dolores Funk  
Tom Greenaway  
Clint Lambert  
Linda McGuire  
Mark Parker  
Bob Motion  
Michael Riis-Christianson  
Gerry Thiessen  
Sarrah Storey

Staff Curtis Helgesen, Chief Administrative Officer  
Cheryl Anderson, Manager of Administrative Services  
John Illes, Treasurer  
Jason Llewellyn, Director of Planning  
Wendy Wainwright, Executive Assistant

Others Michael Higgins, General Manager of Community Services, Regional District of Fraser-Fort George – arrived at 9:53 a.m.  
Brad Layton, Village of Telkwa – arrived at 9:43 a.m.  
Chris Newell, Electoral Area “G” (Houston Rural)

**CALL TO ORDER**

Cheryl Anderson, Manager of Administrative Services called the meeting to order at 9:35 a.m.

**ELECTIONS****Chairperson**

Ms. Anderson called for nominations for the position of Chairperson for the Stuart-Nechako Regional Hospital District for the year 2021.

Moved by Director Greenaway  
Seconded by Director McGuire

**SNRHD.2021-1-1**

“That Director Petersen be nominated for the position of Chairperson of the Stuart-Nechako Regional Hospital District for the year 2021.”

Ms. Anderson called for nominations for Chairperson a second time.

Ms. Anderson called for nominations for Chairperson a third time.

There being no further nominations, Ms. Anderson declared Director Petersen, Chairperson of the Stuart-Nechako Regional Hospital District for the year 2021 by acclamation.

**Acting Chairperson**

Ms. Anderson called for nominations for the position of Acting Chairperson of the Stuart-Nechako Regional Hospital District for the year 2021.

## **ELECTIONS (CONT'D)**

Moved by Director Petersen  
 Seconded by Director Thiessen

### **SNRHD.2021-1-2**

“That Director Greenaway be nominated for the position of Acting Chairperson of the Stuart-Nechako Regional Hospital District for the year 2021.

Ms. Anderson called for nominations for Acting Chairperson a second time.

Ms. Anderson called for nominations for Acting Chairperson a third time.

There being no further nominations, Ms. Anderson declared Director Greenaway as Acting Chairperson of the Stuart-Nechako Regional Hospital District for the year 2021 by acclamation.

Chair Petersen took the chair.

## **AGENDA**

Moved by Director Parker  
 Seconded by Director McGuire

### **SNRHD.2021-1-3**

“That the Stuart-Nechako Regional Hospital District Agenda of January 28, 2021 be approved.”

(All/Directors/Majority)

**CARRIED UNANIMOUSLY**

## **MINUTES**

### **Stuart-Nechako Regional Hospital District Meeting Minutes – August 13, 2020**

Moved by Director Riis-Christianson  
 Seconded by Director Lambert

### **SNRHD.2021-1-4**

“That the minutes of the Stuart-Nechako Regional Hospital District meeting of August 13, 2020 be adopted.”

(All/Directors/Majority)

**CARRIED UNANIMOUSLY**

## **REPORTS**

### **Financial Statements for 2020 and Budget 2021**

Moved by Director Greenaway  
 Seconded by Director McGuire

### **SNRHD.2021-1-5**

“That the Board receive the Treasurer’s Financial Statements for 2020 and Budget for 2021 memorandum.

“That Stuart-Nechako Regional Hospital District Annual Budget Bylaw No. 79, 2021 be given first and second reading this 28<sup>th</sup> day of January, 2021.”

(All/Directors/Majority)

**CARRIED UNANIMOUSLY**

## VERBAL REPORTS

### Health Centre – Village of Granisle

Director McGurie mentioned that the Health Centre in Granisle will be moving to its new location at the Babine Elementary-Secondary School once construction is complete. The move is expected to take place at the end of March 2021.

### Village of Fraser Lake Meeting with Health Services Administrator James Simpson, Northern Health

Director Storey reported that she is meeting with James Simpson, Health Services Administrator, Northern Health on January 29<sup>th</sup>. They will be discussing the Fraser Lake Community Health Centre review and retention of nurse practitioners.

### Fraser Lake Elementary-Secondary School

Director Storey spoke of Fraser Lake Elementary Secondary School and mental health concerns. She spoke of the waitlist to schedule appointments with mental health professionals. School District 91 Nechako Lakes is investigating the potential to utilize resources in Vanderhoof to host virtual sessions.

### NCLGA Health Committee Survey

Director Storey noted that the North Central Local Government Association (NCLGA) Health Committee will be releasing a survey for its members in the near future in regard to health issues.

### UNBC/UBC Study on Rural Health

Director Storey participated in an interview in regard to a study on Rural Health being conducted by University of Northern B.C. (UNBC) and University of British Columbia (UBC).

### Communication with Northern Health

Director Funk mentioned that she has had a number of calls with the Lakes Health Services Administrator in regard to COVID-19 pandemic. She also noted the challenges associated with the COVID-19 vaccination roll-out and communication.

Director Thiessen commented that he had discussions with Cathy Ulrich, President/CEO, and Colleen Nyce, Board Chair, Northern Health in regard to developing a plan to engage local government.

### Bell Let's Talk Day 2021

Director Thiessen spoke of the roll out today of Bell Let's Talk Day to raise money for mental health issues in Canada. He also noted the opioid and mental health struggles within the region. Director Thiessen also referenced the mental health impacts of COVID-19 and an article written by Emile Scheffel, *Politics has a Mental Health Problem What are we going to do about it?*

### Northern Health and Hospital District Planning Meeting

Chair Petersen and Acting Chair Tom Greenaway attended the Northern Health and Hospital District Planning meeting. Northern Health provided an overview of its plans for 2021. He spoke of communities having similar issues and the challenges of funding projects. Chair Petersen mentioned the hard work being done by Northern Health.

Director Greenaway mentioned that Northern Health spoke of the completion of an engineering report in regard to the Stuart Nechako Manor. Chair Petersen will follow up with Northern Health to determine the status of the report.

### Verbal Reports

Moved by Director Storey  
 Seconded by Director Riis-Christianson

### SNRHD.2021-1-6

"That the verbal reports of the various Board of Directors be received."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

**ADJOURNMENT**

Moved by Director Storey  
Seconded by Director McGuire

SNRHD.2021-1-7

“That the meeting be adjourned at 10:01 a.m.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

\_\_\_\_\_  
Jerry Petersen, Chairperson

\_\_\_\_\_  
Wendy Wainwright, Executive Assistant

# Stuart-Nechako

## Regional Hospital District

# Memo

**To:** Chair Petersen and the Board of Directors  
**From:** John Illes, Treasurer  
**Date:** February 25, 2021  
**Regarding:** Budget for 2021 and Expenditure Bylaw

---

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

That Bylaw No. 79 (Annual Budget for 2021 and Provisional Budget for 2022) be given third reading and adoption;  
 And that Bylaw No. 80 (Capital Expenditure) be given three readings and adoption and that staff be authorized to pay Northern Health \$524,717;  
 And receipt of the accounting update.

### Discussion:

Northern Health has confirmed that their budget for capital expenditures in the Stuart-Nechako Regional Hospital District area has remained unchanged. This allows the Board to move forward to the adoption of the annual budget and the provision budget for the following year.

The Board provided the Budget Bylaw (No. 79) two readings on January 28<sup>th</sup>. As the budget remains unchanged the third reading and adoption is recommended.

The first capital expenditure bylaw is proposed for adoption. This bylaw will allow payment for the annual grant and the new phone system in Fraser Lake.

Major projects will each have their own bylaw. A bylaw for the upgrade of the Sterile Compounding Room in Vanderhoof will be brought forward in spring.

### Accounting Update:

Regional hospital districts generally do not have established reserves but carryforward unspent funds every year for future projects. In a review of the past Stuart Nechako Regional Hospital District bylaws it appeared that reserves were never formally established and there have not been board motions to move funds to and from any reserves. Therefore, it seems that Stuart Nechako also follows this process. In the future, financial statements and reports will be revised to reflect this practice more clearly.

**Attachments:** Bylaw No. 79 – Budget Bylaw 2021  
 Bylaw No. 80 – Capital Expenditure Bylaw

**STUART-NECHAKO REGIONAL HOSPITAL DISTRICT**

**BYLAW NO. 79**

**Being a bylaw to adopt the Annual Budget  
for the year 2021  
and the Provisional Annual Budget  
for the year 2022.**

The Stuart-Nechako Regional Hospital District in open meeting assembled ENACTS as follows:

1. Schedule "A" and Schedule "B" attached hereto and made part of this bylaw is the Annual Budget for the Stuart-Nechako Regional Hospital District for the year ended December 31, 2021 and the provisional Annual Budget for the Stuart-Nechako Regional Hospital District for the year ended December 31, 2022.
2. This bylaw may be cited as the "Stuart-Nechako Regional Hospital District Annual Budget Bylaw No. 79, 2021."

READ A FIRST TIME this 28<sup>th</sup> day of January, 2021

READ A SECOND TIME this 28<sup>th</sup> day of January, 2021

READ A THIRD TIME this                    day of                    , 2021

ADOPTED this        day of                    , 2021

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Corporate Administrator

I hereby certify that this is a true copy of Bylaw No. 79 as adopted.

\_\_\_\_\_  
Corporate Administrator

Stuart Nechako Regional Hospital District - 2021 Budget and 2022 Provisional Budget  
 Schedule A - Bylaw 79, 2021

	2021 Budget	2022 Provisional Budget
Surplus Carryforward		
Grant In Lieu of Taxes	9,432	9,432
Taxation	4,814,871	4,814,871
Withdrawal from Reserves	-	3,200,000
Donations Received		
Total	<u>\$ 4,824,303</u>	<u>\$ 8,024,303</u>
Business Planning		
Major Capital Project >\$5M	2,000,000	7,400,000
Major Capital Project <\$5M	520,742	
Major Equipment	40,000	
Building Integrity and Minor Capital Grant	186,000	200,000
IT Projects Grant	298,717	325,000
Administration	30,000	30,000
Misc Expense	-	
	<u>\$ 3,075,459</u>	<u>\$ 7,955,000</u>
NET	<u>\$ 1,748,844</u>	<u>\$ 69,303</u>
<b>SAVED FOR FUTURE PROJECTS</b>		
Opening (Last Year's Closing less withdrawals)	\$ 9,275,707	\$ 7,963,687
Contribution (Net Surplus)	\$ 1,748,845	\$ 69,303
Interest (On Reserves)	\$ 139,136	\$ 119,455
Closing	<u>\$ 11,163,688</u>	<u>\$ 8,152,445</u>



## Schedule B Bylaw 79, 2021

## Major Capital Projects Approved and Continuing:

Stuart Lake Hospital	Fort St. James	\$20,000,000
----------------------	----------------	--------------

## Major Capital Projects Funded:

	2021	Current Year	Previous Years
Stuart Lake Hospital	Fort St. James	\$ 2,000,000	
Fraser Lake Phone System	Fraser Lake	\$ 40,000	
St. John Hospital Sterile Compound (2020-2021)	Vanderhoof	\$ 520,000	\$ 268,800
St. John Hospital Boiler (2019-2021)	Vanderhoof	\$ <u>742</u>	\$ 223,786
		\$ 2,560,742	

	2022	
Stuart Lake Hospital	Fort St. James	\$ 7,400,000

## Future Years

Stuart Lake Hospital	Fort St. James	\$ 10,600,000
----------------------	----------------	---------------

**STUART-NECHAKO REGIONAL HOSPITAL DISTRICT  
CAPITAL EXPENDITURE BYLAW  
BYLAW NO. 80**

**WHEREAS**, the Board of the Stuart-Nechako Regional Hospital District proposes to expend money for capital expenditures included in the 2021 annual budget;

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

**NOW THEREFORE**, the Board of the Stuart-Nechako Regional Hospital District enacts the following capital expenditure bylaw as required by Section 32 of the *Hospital District Act*;

1. The Board hereby authorizes and approves expenditures of money necessary to complete the following capital expenditures totaling up to \$524,717 representing a portion of the capital expenditures included in the 2021 budget more particularly detailed as follows:

<u>Description</u>	<u>Amount</u>
Minor Capital Grant	\$165,000
Building Integrity Grant	\$ 21,000
Information Management/Information Technology Grant	\$298,717
FLK Phone System Replacement	\$ 40,000

**\$524,717**

2. The board hereby delegates the necessary authority to the Treasurer to settle payment.
3. This bylaw may be cited for all intents and purposes as the “Stuart-Nechako Regional Hospital District Capital Expenditure Bylaw No. 80, 2021.”

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

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Corporate Administrator

I, hereby, certify that this is a true copy of Bylaw No. 80 as adopted.

\_\_\_\_\_  
Corporate Administrator

# Stuart-Nechako

## Regional Hospital District

# Memo

**To:** Chair Petersen and the Board of Directors  
**From:** John Illes, Treasurer  
**Date:** February 25, 2021  
**Regarding:** Audit Findings for 2021

---

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

Receipt

**Discussion:**

The Audit for Stuart-Nechako Regional District is now largely complete. A presentation by the auditors is tentatively set for the Board meeting on March 11, 2021.

The auditors have found no significant issues or misstatements during this year's audit. The Financial Statements will be presented in March.

**Attachments:** February 17, 2021 Audit Findings for 2021



CHARTERED PROFESSIONAL ACCOUNTANTS

# **Stuart-Nechako Regional Hospital District**

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

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

**Prepared as of February 17, 2021**



CHARTERED PROFESSIONAL ACCOUNTANTS

February 17, 2021

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

Dear Board of Directors:

**Re: Audit Findings**

We prepared the accompanying report to assist you in your review of the financial statements of Stuart-Nechako Regional Hospital District for the year ending December 31, 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 Stuart-Nechako 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: John Illes, Chief Financial Officer

**Partners**

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

Dane Soares CPA  
Taylor Turkington CPA

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



CHARTERED PROFESSIONAL ACCOUNTANTS

## **Audit Status**

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

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

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

## **Significant Risks**

We identified the following significant risks in our planning letter dated February 11, 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 1 to the financial statements.

- There were no significant changes in accounting policies.



CHARTERED PROFESSIONAL ACCOUNTANTS

- 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.



CHARTERED PROFESSIONAL ACCOUNTANTS

### **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.





CHARTERED PROFESSIONAL ACCOUNTANTS

### **Consultation with Other Accountants (Second Opinions)**

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

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

### **Independence**

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

### **Other Audit Matters of Governance Interest**

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

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

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

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

Yours very truly,

*Beswick Hildebrandt Lund*

Beswick Hildebrandt Lund Chartered Professional Accountants



CHARTERED PROFESSIONAL ACCOUNTANTS

## ***Appendix A: Audit Report***

Please see attached report.



CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the financial statements of Stuart-Nechako Regional Hospital District (the Entity), which comprise the statement of financial position as at December 31, 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  
 Taylor Turkington CPA

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants

Prince George, British Columbia

February 21, 2020

DRAFT



CHARTERED PROFESSIONAL ACCOUNTANTS

***Appendix B: Management Representation Letter***

Please see attached letter.

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

February 26, 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 Stuart-Nechako 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 February 5, 2021 for:

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

- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

### **Preparation of Financial Statements**

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

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

### **Fraud**

We have disclosed to you:

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

### **Compliance with Laws and Regulations**

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

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



**Litigation and Claims**

All known actual or possible litigation and claims, which existed as at December 31, 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 Stuart-Nechako Regional Hospital District's related parties and the relationships with such parties.

**Estimates**

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

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

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

**Subsequent Events**

We have identified all events that occurred between December 31, 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 Stuart-Nechako Regional Hospital District's ability to continue as a going concern.

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

### **Commitments and Contingencies**

All contractual arrangements entered into by Stuart-Nechako Regional Hospital District with third parties have been properly reflected in the accounting records or/and, where material (or potentially material) to the financial statements, have been disclosed to you. Stuart-Nechako Regional Hospital District has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There are no side agreements or other arrangements (either written or oral) undisclosed to you.

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

### **Misstatements and Adjustments**

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

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

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

#### **Internal Control Over Financial Reporting**

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

## **Minutes**

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

## **Other Information**

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

## **Assets and Liabilities**

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

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

## **Cash and Banks**

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

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

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

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

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

## **Accounts Receivable**

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

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

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

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

Amounts receivable amounted to \$7,021 and are considered to be fully collectible.

All receivables were free from hypothecation or assignment as security for advances to Stuart-

Nechako Regional Hospital District, except as hereunder stated.

**Financial Instruments**

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

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

**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.

**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 6, 2020. Planned results were presented for the same scope of activities and on a basis consistent with that used for actual results.

Yours truly,

---

John Illes (CFO), Chief Financial Officer

***Appendix A: Related Parties***

See attached proposed related parties summary.

DRAFT

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

- Director Clint Lambert, and immediate family
- Director Gerry Thiessen, and immediate family
- Director Michael Riis-Christianson, and immediate family
- Director Judy Greenaway, and immediate family
- Director Thomas Greenaway, and immediate family
- Director Mark Parker, and immediate family
- Director Dolores Funk, and immediate family
- Director Sarrah Storey, and immediate family
- Director Jerry Petersen, and immediate family
- Director Linda McGuire, and immediate family

**Management**

- John Illes, Chief Financial Officer, and immediate family
- Curtis Helgesen, Chief Administrative Officer, and immediate family

**Related party entities:**

Regional District of Bulkley-Nechako  
Jeraud Ranch and Farm

DRAFT

***Appendix B: Proposed Audit Adjustments***

See attached proposed audit adjustments.

DRAFT

**Stuart-Nechako Regional Hospital District**

Year End: December 31, 2020

Adjusting journal entries

Date: 2020-01-01 To 2020-12-31

Number	Name	Account No	Debit	Credit
1	Investments & Term Deposits	1020-2	5,526.29	
1	Interest Income	4100-2		-5,526.29
To record client adjustment to agree LS with investment statements				
			5,526.29	-5,526.29

DRAFT