



MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT November 19, 2024 MEETING AGENDA

Following the Regional District of Mount Waddington Board of Directors Meeting
Board Room, RDMW Administrative Office, 2044 McNeill Road, Port McNeill, BC

Page **CALL TO ORDER**

A. APPROVAL OF AGENDA

- 1 1. Adoption of November 19, 2024 MWRHD Meeting Agenda as Presented (Or amended)

B. DELEGATIONS & RECOGNITIONS - None

This meeting is taking place on the traditional territory of the Kwakwaka'wakw.

C. ADOPTION OF MINUTES

- 2-3 1. Minutes of the MWRHD Meeting held October 15, 2024, as Presented (Or amended)

D. CORRESPONDENCE - None

E. REPORTS

- 4-15 1. 2023 MWRHD Financial Statements

Recommendation:

THAT The 2023 Mount Waddington Regional Hospital District Financial Statements be approved as presented, and further, that the Chair and the Chief Administrative Officer/Chief Financial Officer be authorized to sign.

2. VIHA Verbal Report

3. Health Network Coordinator Verbal Report

F. BYLAWS - None

G. COMMITTEE REPORTS - None

H. HEALTH NETWORK BUSINESS

I. NEXT MEETING – December 17, 2024

J. ADJOURNMENT



MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT

October 15, 2024 Minutes

Following the Regional District of Mount Waddington Board of Directors Meeting Board Room, RDMW Administrative Office, 2044 McNeill Road, Port McNeill, BC

Present: In Person: Dennis Dugas, James Furney, Michelle Pottage, Dave Summers, Brent Schmidt (Alternate for Kathryn Wykes), John Tidbury (Alternate for Pat Corbett-Labatt)
Zoom: Kevin Cameron

Staff: David Kim, Chief Administrative Officer

Via Zoom: Nadine Weldon, Recording Secretary, Nicole McDowell, Administrative Assistant

Public:

Resolution No. **CALL TO ORDER Time 4:19 PM**

The Chair opened the meeting by acknowledging that this meeting is taking place on the traditional territory of the Kwak'waka speaking peoples.

A. APPROVAL OF AGENDA

Moved/Seconded/**CARRIED**

045/2024 THAT the October 15, 2024 MWRHD Meeting Agenda be approved presented.

B. DELEGATIONS & RECOGNITIONS - None

C. ADOPTION OF MINUTES

1. Minutes of the MWRHD Meeting held September 3, 2024.

Moved/Seconded/**CARRIED**

046/2024 THAT the September 3, 2024 Mount Waddington Regional Hospital District Meeting Minutes be adopted as presented.

D. CORRESPONDENCE – None

E. REPORTS

Mount Waddington Health Network:

- All Community Health Network budgets went up for 2025. This means that the Mount Waddington budget increased by \$32,000. Will be meeting with David to review budgeting. Thank you to Island Health.
- Learning Days in Campbell River were held on October 7 and 8, the theme was poverty reduction and the reduction of stigma. It included all the Island Health Network Coordinators and staff from Island Health. One of the events was a “Walk with Me” which was a walk with earphones that was narrated by a local First Nation Chief about First Nation stories.
- Couple of tools that people left with were discussions from a professor from the University of Wisconsin about power and power matrix, it was very interesting.
- Alberni Clayoquot has just finished an equity toolkit which reviews languages and policy at the government levels.

F. BYLAWS - None

G. COMMITTEE REPORTS – None

NEXT MEETING – November 19, 2024 following the RDMW Board of Directors meeting.

047/2024

H. ADJOURNMENT

Time 4:26 PM

CHAIR

CHIEF ADMINISTRATIVE OFFICER

DRAFT

MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT
Financial Statements
December 31, 2023

DRAFT

MANAGEMENT REPORT

December 31, 2023

The Board of Directors of the Mount Waddington Regional Hospital District have delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the Mount Waddington Regional Hospital District. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the financial statements. These systems are monitored and evaluated by management.

The Mount Waddington Regional Hospital District's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these financial statements present fairly Mount Waddington Regional Hospital District's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects the financial position of Mount Waddington Regional Hospital District as at December 31, 2023.

David Kim, Chief Administrative Officer
October 15, 2024

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Mount Waddington Regional Hospital District,

Opinion

We have audited the financial statements of Mount Waddington Regional Hospital District (the "Hospital District"), which comprise the statement of financial position as at December 31, 2023, 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 (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital District as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Hospital District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Hospital District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

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

Chan Nowosad Boates Inc.
Campbell River, BC

October 15, 2024

MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT

Statement of Financial Position

December 31, 2023

2023

2022

FINANCIAL ASSETS

Cash and Cash Equivalents	\$ 2,519,034	\$ 2,074,056
Temporary Investments (Note 3)	1,436,746	1,383,730
Accounts Receivable (Note 4)	10,243	254,604
MFA Debt Reserve Fund (Note 6)	5,574	5,574
	<u>3,971,597</u>	<u>3,717,964</u>

LIABILITIES

Accounts Payable and Accrued Liabilities	33,609	100,274
Other Liabilities (Note 7)	628,271	646,135
Due to Related Parties (Note 5)	416,130	362,430
Long Term Debt (Note 8)	271,157	320,742
Asset Retirement Obligation (Note 9)	39,591	-
	<u>1,388,758</u>	<u>1,429,581</u>

NET FINANCIAL ASSETS

2,582,839 2,288,383

NON-FINANCIAL ASSETS

Tangible Capital Assets (Note 10)	<u>421,290</u>	<u>389,499</u>
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ACCUMULATED SURPLUS

\$ 3,004,129 \$ 2,677,882

Approved by:

Chair

Chief Administrative Officer

MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT

Statement of Operations and Accumulated Surplus

Year Ended December 31, 2023

	2023		2022
	Budget <small>(Note 11)</small>	Actual	
Revenues			
Taxation	\$ 790,400	\$ 787,754	\$ 762,132
Actuarial Income	-	5,529	109,825
Investment Income	30,000	163,456	75,431
Other Revenue	<u>80,000</u>	<u>8,940</u>	<u>8,792</u>
	<u>900,400</u>	<u>965,679</u>	<u>956,180</u>
Expenditures			
Administration (Note 5)	103,700	103,700	98,800
Amortization	-	7,800	7,000
Audit Fees	6,200	10,718	6,888
Bad Debt	-	248,374	-
Bank Charges and Interest	500	501	442
Grants to Health Authority	466,800	252,430	101,400
Interest on Long-term Debt	15,909	15,909	23,326
Office and Sundry	<u>10,000</u>	<u>-</u>	<u>5,781</u>
	<u>603,109</u>	<u>639,432</u>	<u>243,637</u>
Annual Surplus	297,291	326,247	712,543
Accumulated Surplus, Beginning of Year	<u>2,677,882</u>	<u>2,677,882</u>	<u>1,965,339</u>
Accumulated Surplus, End of Year	<u>\$ 2,975,173</u>	<u>\$ 3,004,129</u>	<u>\$ 2,677,882</u>

MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT

Statement of Changes in Net Financial Assets

Year Ended December 31, 2023

	2023		2022
	Budget	Actual	
	<small>(Note 11)</small>		
Annual Surplus	\$ 297,291	\$ 326,247	\$ 712,543
Addition of Asset Retirement Obligation	-	(39,591)	-
Amortization of Tangible Capital Assets	-	<u>7,800</u>	<u>7,000</u>
Increase in Net Financial Assets	297,291	294,456	719,543
Net Financial Assets, Beginning of Year	<u>2,288,383</u>	<u>2,288,383</u>	<u>1,568,840</u>
Net Financial Assets, End of Year	<u>\$ 2,585,674</u>	<u>\$ 2,582,839</u>	<u>\$ 2,288,383</u>

MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT

Statement of Cash Flows

Year Ended December 31, 2023

2023

2022

Cash Flows From Operating Activities:

Annual Surplus	\$ 326,247	\$ 712,543
Items Not Involving Cash		
Debt Actuarial Adjustments	(5,529)	(109,825)
Amortization of Tangible Capital Assets	<u>7,800</u>	<u>7,000</u>
	328,518	609,718
Changes in Non-Cash Operating Balances		
Accounts Receivable	244,361	(3,985)
Due from Related Parties	14,109	545,109
Accounts Payable	(66,665)	13,632
Deferred Revenue	-	(5,251)
Asset Retirement Obligation	39,591	-
Other Liabilities	<u>(17,864)</u>	<u>8,083</u>
	<u>542,050</u>	<u>1,167,306</u>

Cash Flows From Investing Activities:

Purchase of Temporary Investments	<u>(53,016)</u>	<u>(924,591)</u>
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Cash Flows From Financing Activities:

Receipt of Debt Reserve Funds	-	43,942
Repayment of Long Term Debt	<u>(44,056)</u>	<u>(112,705)</u>
	<u>(44,056)</u>	<u>(68,763)</u>

Increase in Cash	444,978	173,952
Cash - Beginning of Year	<u>2,074,056</u>	<u>1,900,104</u>
Cash - End of Year	<u>\$ 2,519,034</u>	<u>\$ 2,074,056</u>

MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT

Notes to the Financial Statements

December 31, 2023

1. Significant Accounting Policies:

a) **Basis of Presentation**

The financial statements have been prepared in accordance with Canadian public sector accounting standards as using guidelines developed by the Public Sector Accounting Board ("PSAS") for the Chartered Professional Accountants of Canada.

b) **Cash and Cash Equivalents**

Cash consists of cash on hand and demand deposits.

c) **Temporary Investments**

Temporary investments are comprised of guaranteed investment certificates ("GICs"). The investments are carried at cost.

d) **Tangible Capital Assets**

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset commencing once the asset is in use.

Estimated useful lives of tangible capital assets are as follows:

Building	40 years
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e) **Revenue Recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Taxation revenue in the form of local government requisitions are recognized in the year they are levied.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to any obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability.

Investment income and other earnings are recorded in the year they are earned.

f) **Expense Recognition**

Expenses are recorded on an accrual basis and are recognized in the period in which the goods and services are acquired and a liability is incurred or transfers are due.

g) **Use of Estimates**

The preparation of the financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period.

Significant areas requiring the use of management estimates are the collectability of accounts receivable, valuation of investments and the provision for amortization. Actual results could differ from management's best estimates as additional information becomes available in the future.

MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT

Notes to the Financial Statements

December 31, 2023

1. Significant Accounting Policies (continued):

h) Asset Retirement Obligation:

The Mount Waddington Regional Hospital District (the "Hospital District") recognizes a liability for an asset retirement obligation when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date.

2. Change in Accounting Policy:

On January 1, 2023, the Hospital District adopted Public Accounting Standard PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets. The Hospital District determined that the removal of asbestos in Hospital District owned buildings would result in an asset retirement obligation. This standard was adopted under the prospective application method at the date of adoption. Under the prospective application method, an increase in the carrying amount of the related tangible capital asset is recognized by the same amount as the estimated liability as at January 1, 2023.

3. Temporary Investments:

Temporary investments include funds invested in GICs with Canaccord Genuity Wealth Management and CIBC.

	<u>2023</u>	<u>2022</u>
Short-term: mature within one year, interest rates vary between 2.9% - 4.5%	\$ <u>1,436,746</u>	\$ <u>1,383,730</u>

4. Accounts Receivable:

	<u>2023</u>	<u>2022</u>
Trade and Other	\$ 10,243	\$ 6,230
Island Health	<u>248,374</u>	<u>248,374</u>
	258,617	254,604
Allowance for Doubtful Accounts	<u>(248,374)</u>	<u>-</u>
	\$ <u>10,243</u>	\$ <u>254,604</u>

5. Due to Related Parties:

	<u>2023</u>	<u>2022</u>
Regional District of Mount Waddington	\$ <u>416,130</u>	\$ <u>362,430</u>

The Regional District of Mount Waddington ("RDMW") and the Hospital District are separate legal entities as defined by separate letters of patent and authorized separate legislation. The directors of the Hospital District sit on the board of RDMW, so the entities are related by virtue of common control. The amount due to RDMW is non-interest bearing, unsecured and has no stated terms of repayment. During the year ended December 31, 2021, administrative support services of \$103,700 (2022 - \$98,800) were provided by RDMW.

MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT

Notes to the Financial Statements

December 31, 2023

6. Municipal Finance Authority Reserve Deposits:

The Hospital District secures its long-term debts through the MFA. As a condition of these borrowings the MFA requires establishment of a fund equal to one half the annual installment of principal and interest of the long-term debt issued. The cash portion of the fund is equal to 1% of the total principal borrowed with the remainder made up of a non-interest bearing promissory note. The MFA adds interest earned by the cash reserves and deducts expenses. The balance of the MFA debt reserve fund as at December 31, 2023 is \$5,574 (2022 - \$5,574).

7. Other Liabilities:

Other liabilities represent grant funding from the Vancouver Island Health Authority for the Mount Waddington Health Network. The funding is for public participation with its member communities for the enhancement of health services in the Regional District. Management of these funds is the direct responsibility of the Health Network.

8. Long Term Debt:

The Hospital District's long term borrowing is secured through the BC Municipal Finance Authority ("MFA"). The debt is reported net of actuarial adjustments.

The Hospital District MFA loan issue #145 in 2018 to finance capital expenditures for a Port Hardy 11-bed residential care facility.

	<u>2023</u>	<u>2022</u>
MFA Issue # 145:		
Loan bearing interest at 4.3% (2022 - 4.3%), repayable in annual installments of \$44,056 plus interest, matures April 23, 2028	\$ <u>271,157</u>	\$ <u>320,742</u>

The aggregate amount of principal payments required on the Hospital District's long-term debt during each of the next 5 years is as follows:

2024	\$ 44,056
2025	44,056
2026	44,056
2027	44,056
2028	94,933

MOUNT WADDINGTON REGIONAL HOSPITAL DISTRICT

Notes to the Financial Statements

December 31, 2023

9. Asset Retirement Obligation:

The Hospital District has a building that is still in use which has a legal remediation requirement associated with it. The Hospital District estimated that removal and remediation costs for this asset will total \$39,591 (2022 - \$Nil). The building had an estimated useful life of 40 years when purchased, of which 37 years remain. The timing of remediation cannot yet be reasonably estimated, so no discounting has been applied to the liability.

10. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2023	2022
Land	\$ 117,360	\$ -	\$ -	\$ 117,360	\$ -	\$ -	\$ -	\$ -	\$ 117,360	\$ 117,360
Building	<u>282,639</u>	<u>39,591</u>	<u>-</u>	<u>322,230</u>	<u>10,500</u>	<u>7,800</u>	<u>-</u>	<u>18,300</u>	<u>303,930</u>	<u>272,139</u>
Total	<u>\$ 399,999</u>	<u>\$ 39,591</u>	<u>\$ -</u>	<u>\$ 439,590</u>	<u>\$ 10,500</u>	<u>\$ 7,800</u>	<u>\$ -</u>	<u>\$ 18,300</u>	<u>\$ 421,290</u>	<u>\$ 389,499</u>

11. Budget Figures:

Budget figures represent the 2023 Financial Plan Bylaw No. 108 adopted by the Board on March 23, 2023.

The financial plan anticipated use of surpluses accumulated in previous years to balance against current expenditures in excess of current year revenues. In addition, the budget anticipated capital expenditures rather than amortization expense. The following schedule reconciles the approved bylaw to the amounts presented in the financial statements.

	<u>2023</u>
Financial Plan (Budget) Bylaw	\$ -
Add:	
Debt Principal Repayments	44,056
Transfer to Accumulated Surplus	<u>253,235</u>
Annual Surplus Presented in Financial Statements	<u>\$ 297,291</u>

12. Subsequent Event:

Subsequent to December 31, 2023, a letter was received from Island Health detailing their intention to transfer the health clinic building from the Hospital District to Island Health for the value of \$1. As of the date of these financial statements, this transfer has not yet occurred and the timing of the transfer is indeterminate. During the year ending December 31, 2024, it is anticipated that the Hospital District's Tangible Capital Assets will be reduced to \$Nil and a corresponding loss on disposal will be included in Expenditures.