

NORTH OKANAGAN/COLUMBIA SHUSWAP REGIONAL HOSPITAL DISTRICT Regular Board Meeting LATE AGENDA

Date: Tuesday, February 5, 2019
Time: 10:00 AM
Location: Regional District of North Okanagan
9848 Aberdeen Road, Coldstream, BC

Pages

1. CALL TO ORDER

- By Charles Hamilton, Secretary, NOCSRHD
- Welcome and Introductions

2. ELECTIONS

2.1 Election of Chair

- By Charles Hamilton , Secretary, NOCSRHD

2.2 Election of Vice Chair

- By Charles Hamilton, Secretary, NOCSRHD

3. ADOPTION OF MINUTES

3.1 Adoption of Minutes

1

Motion

THAT: the minutes of the March 27, 2018 North Okanagan/Columbia Shuswap Regional Hospital District Board be adopted.

3.2 Business Arising from the Minutes

If any.

4. DELEGATIONS

4.1 Interior Health

Interior Health representatives in attendance to provide an overview of Interior Health's Capital request, referenced in Correspondence Item 5.2.

The focus of the presentation will be the capital funding request, and it will also provide some high level detail on Interior Health's capital process for the information of new members on the Board.

5. CORRESPONDENCE

5.1 BDO Canada LLP (October 19, 2018) 10

Letter from Angie Spencer, CPA, CA, from BDO Canada LLP attaching report outlining BDO's audit plan for the audit of the North Okanagan Columbia Shuswap Regional District financial statements.

5.2 Interior Health (December 18, 2018) 36

Letter from Donna Lommer, VP Support Services & CFO, Interior Health, outlining the Interior Health annual capital requests for 2019/2020 fiscal year.

Motion

THAT: the correspondence contained on the February 5, 2019 North Okanagan/Columbia Shuswap Regional Hospital District Board Agenda be received.

6. REPORTS

*6.1 2019 NOCSRHD Five Year Financial Plan 42

Report from Jodi Pierce, Manager, Financial Services, dated January 31, 2019.

For discussion and direction.

*6.2 2018 NOCSRHD Financial Update 55

Report from Jodi Pierce, Manager, Financial Services, dated January 31, 2019.

For Information Only.

7. BYLAWS

- None.

8. **DATE OF NEXT MEETING**

Tuesday, March 26, 2019 at 10:00 AM
CSRD Boardroom, 555 Harbourfront Drive NE, Salmon Arm, BC

9. **ADJOURNMENT**

Motion

THAT: the February 5, 2019 meeting of the North Okanagan/Columbia Shuswap Regional Hospital District Board be adjourned.

NORTH OKANAGAN/COLUMBIA SHUSWAP REGIONAL HOSPITAL DISTRICT

Minutes of a Regular meeting of the North Okanagan/Columbia Shuswap Regional Hospital District Board.

Note: The following minutes are subject to correction when endorsed by the Board at the next
Regular meeting.

Date: March 27, 2018

Time: 10:00 AM

Location: CSRD Boardroom
555 Harbourfront Drive NE, Salmon Arm

Directors Present	R. Martin (Chair)	Area E, CSRD
	L. Parker	Area B, CSRD
	P. Demenok	Area C, CSRD
	R. Talbot	Area D, CSRD
	M. Macnabb	Area C, RDNO
	R. Fairbairn	Area D, RDNO
	H. Cameron	Area E, RDNO
	H. Halvorson**	Area F, RDNO
	T. Rysz	District of Sicamous, CSRD
	K. Flynn	City of Salmon Arm, CSRD
	C. Eliason**	City of Salmon Arm, CSRD
	S. Fowler	City of Armstrong, RDNO
	D. Dirk	District of Coldstream, RDNO
	J. Brown	Township of Spallumcheen, RDNO
	A. Mund	City of Vernon, RDNO
	J. Cunningham, Vice Chair	City of Vernon, RDNO
	B. Schreiner	City of Enderby, RDNO
Staff	C. Hamilton	Secretary

	L. Shykora	Deputy Mgr., Corporate Admin. (Recorder)
	J. Pierce	Manager of Financial Services
Directors Absent	K. Acton	Village of Lumby, RDNO
	M. McKee	City of Revelstoke, CSR
	B. Fleming	Area B, RDNO
	B. Quiring	City of Vernon, RDNO
	C. Lord	City of Vernon, RDNO

** Indicates partial meeting attendance.

1. CALL TO ORDER

Charles Hamilton, Secretary, NOCSRHD

The Secretary called the meeting to order at 10:00 AM.

2. Election of Chair for 2018

By Charles Hamilton, Secretary, NOCSRHD

The Secretary called for nominations for the position of Chair, NOCSRHD, for 2018.

Director Macnabb nominated Director Martin, who accepted the nomination.

Hearing no further nominations, the Secretary declared Director Martin elected Chair of the Hospital Board for 2018.

3. Election of Vice-Chair for 2018

By Charles Hamilton, Secretary, NOCSRHD

The Secretary called for nominations for the position of Vice-Chair, NOCSRHD, for 2018.

Director Martin nominated Director Cunningham, who accepted the nomination.

Hearing no further nominations, the Secretary declared Director Cunningham elected Vice-Chair of the Hospital Board for 2018.

Chair Martin assumed the Chair at this time.

4. ADOPTION OF MINUTES

4.1 Adoption of Minutes

H2018-001

Moved By Director Eliason

Seconded By Director Mund:

THAT: the minutes of the October 31, 2017 meeting of the North Okanagan/Columbia Shuswap Regional Hospital District Board be adopted.

CARRIED

4.2 Business Arising from the Minutes

None.

5. DELEGATIONS

5.1 2017 NOCSRHD Year End Financial Statements

- Report from the Manager of Financial Services dated March 14, 2018

Ms. Angie Spencer, BDO Canada, attending the meeting to review the financial statements. The Manager, Financial Services, distributed an updated draft Financial Statements to Board members and staff. Ms. Spencer pointed out the audit report and she noted that the statements are subject to approval of the Board. Ms. Spencer responded to several questions.

H2018-002

Moved By Director Cunningham

Seconded By Director Flynn

THAT: in accordance with the Local Government Act, the 2017 North Okanagan Columbia Shuswap Regional Hospital District Year End Financial Statements be approved.

CARRIED

5.2 Interior Health

- Dan Goughnour, Director, Business Support and Richard Harding, Health Services Administrator, North Okanagan attended.
- Capital Funding Request for the 2018/2019 Fiscal Year (reference agenda item 7.2 Capital Expenditure Bylaw) (refer to Powerpoint)
- Update on Capital Projects (refer to Powerpoint)
- Brought forward from October, 2017 Board meeting: Presentation on Mental Health & Substance Use. Dr. Silvina Mema, Medical Health Officer, presented on Substance Abuse / the Overdose Emergency.

Interior Health staff Diana Gawne, Russ Balance and Yvonne Taylor also attended the meeting.

Dr. Mema made an extensive and informative presentation. The topic outline addressed:

- How many people are dying and why – statistics 2007 – 2017, depicting actual number of deaths and rates/population/area;
- Major causes of overdose deaths vs. other causes;
- Fentanyl-detected overdose deaths in BC;
- What is known about fatal overdoses in Interior Health;
- Cause of opioid crisis (fentanyl is considered the causal agent);
- Provincial response: identified eight (8) interventions eg. Health sector and other social agencies in the societal domain;
- Interior Health Response Action includes examining services in the rural setting versus in the urban setting.

Dr. Mema responded to a number of questions related to why the overdose rate in Kamloops is reduced; methadone treatment facilities, the stigmatism with methadone being made available in all communities/how Interior Health with deal with this stigmatism being gone; pain management drugs leading to addictions, etc.

Chair Martin thanked Dr. Mema for presenting on this topic.

Ms. Taylor presented a Program Update on Community (depicted in the Powerpoint attached to agenda).

Mr. Goughnour presented the Major Capital Projects update (depicted in the Powerpoint attached to the agenda). Of note, the Queen Victoria Hospital (Revelstoke) Helipad is nearing completion. Also noted that the Vernon Jubilee Hospital Magnetic Resonance Imaging (MRI) upgrade construction estimates are no longer accurate, adding a potential capital funding request for \$1 million dollars in relation to this upgrade.

In terms of the 2018/2019 Capital funding request, the Powerpoint presentation included details, priorities, noting an escalation in construction costs.

Mr. Goughnour responded to several questions and comments on specific capital projects and the surpluses on some capital projects.

Director Halvorson left the meeting at this time.

6. CORRESPONDENCE

6.1 BDO Canada

Letter from BDO Canada dated November 6, 2017 regarding Planning Report for NOCSRHD 2017 Audit Plan.

The audit letter was previously circulated via email to Board, December 7, 2017 for information.

6.2 Interior Health

Letter from Donna Lommer, VP Support Services & CFO, Interior Health dated February 14, 2018 regarding Capital Funding Request;

and

Letter from Donna Lommer, VP Support Services & CFO, Interior Health dated December 12, 2017 regarding Funding Requirements & Major Capital Projects (Initial Request);

and

NOCSRHD Response to Interior Health regarding December 12, 2017 Capital Funding Request.

Reference agenda Item 7.1 Five Year Financial Plan Bylaw Report and 7.2 Capital Expenditure Bylaw Reports.

6.3 Interior Health

Letter from Donna Lommer, VP Support Services & CFO, Interior Health, dated February 28, 2018, regarding High Level Funding Estimates and Major Capital Projects.

6.4 Interior Health

Letter from Doug Cochrane, Chair, Board of Directors, dated March 16, 2018 regarding the executive search process for the new Interior Health CEO.

The Chair advised that a letter will be sent to Chris Mazurkewich, Interior Health CEO, to thank him for his service and to wish him well in his pending retirement.

H2018-003

Moved By Director Flynn

Seconded By Director Dirk:

THAT: the correspondence contained on the March 27, 2018 North Okanagan/Columbia Shuswap Regional Hospital District Board Agenda be received.

CARRIED

7. BYLAWS

7.1 2018 NOCSRHD Five Year Financial Plan Bylaw No. 70

Report from Jodi Pierce, Manager, Financial Services, dated March 16, 2018.

H2018-004

Moved By Director Schreiner

Seconded By Director Cunningham

THAT: Bylaw No. 70, cited as “2018 North Okanagan/Columbia Shuswap Regional Hospital District Financial Plan Bylaw No. 70”, be read a first, second and third time this 27th day of March, 2018.

CARRIED

H2018-005

Moved By Director Cunningham

Seconded By Director Fairbairn:

THAT: Bylaw No. 70, cited as “2018 North Okanagan/Columbia Shuswap Regional Hospital District Financial Plan Bylaw No. 70”, be adopted this 27th day of March, 2018.

CARRIED

Director Eliason left the meeting at this time.

7.2 2018 NOCSRHD Capital Expenditure Bylaw No. 71

Report from Jodi Pierce, Manager, Financial Services, dated March 14, 2018.

H2018-006

Moved By Director Demenok

Seconded By Director Brown:

THAT: Bylaw No. 71, cited as “North Okanagan Columbia Shuswap Regional Hospital District Capital Expenditure Bylaw No. 71”, be read a first, second, and third time this 27th day of March, 2018.

Discussion on motion:

Staff provided background on the initial funding request, advising that NOCSRHD advised IH staff to come back with a reduced capital funding request. She added details on the tax implications.

Discussion ensued, including questions in regards to the use of reserve funds, the possibility of the Board setting a percentage limit with IH capital requests to adhere to that limit.

Comments that the 2018 capital funding request is not unreasonable, but the Board needs to advise Interior Health that it will not accept a 4% increase in 2019/2020.

CARRIED

DIRECTOR MACNABB OPPOSED

H2018-007

Moved By Director Cunningham

Seconded By Director Parker

THAT: Bylaw No. 71, cited as “North Okanagan Columbia Shuswap Regional Hospital District Capital Expenditure Bylaw No. 71”, be adopted this 27th day of March, 2018.

CARRIED

DIRECTOR MACNABB OPPOSED

H2018-008

Moved By Director Macnabb

Seconded By Director Demenok:

THAT the Board request that Interior Health initiate an independent audit through the Local Government Auditor General, such audit to assess the procurement process and to examine spending in terms of value for money spent, i.e. best possible pricing in procurements.

Discussion on motion:

Staff comment that 1) such an audit would not fall under the jurisdiction of the BC Local Government Auditor General, 2) the importance of maintaining a good working relationship with IH, and 3) the Board previously, within the past year, requested an independent audit and IH has declined in its response.

MOTION DEFEATED

DIRECTOR MACNABB OPPOSED

H2018-009

Moved By Director Cunningham

Seconded By Director Demenok:

THAT the Board hold a Special meeting to host Interior Health for the Board to be informed of the current IH procurement practice, and for a further update/discussion on the addiction crisis.

CARRIED

H2018-010

Moved By Director Flynn

Seconded By Director Rysz:

THAT the Board send a letter to Interior Health to express that a \$4 million capital request for next year will not be supported.

Discussion on motion:

It was suggested that the timing for a Special NOCSRHD Board meeting with Interior Health take place in approximately two (2) months' time.

CARRIED

8. DATE OF NEXT MEETING

Tuesday, October 30, 2018 at 10 AM, Board Room, Regional District of North Okanagan.

9. ADJOURNMENT

H2018-011

Moved By Director Cunningham

Seconded By Director Rysz:

THAT: the March 27th, 2018 meeting of the North Okanagan/Columbia Shuswap Regional Hospital District Board be adjourned.

CARRIED

CERTIFIED CORRECT:

SECRETARY

CHAIR



North Okanagan Columbia Shuswap Regional Hospital District

Planning Report to the Board of Directors
October 19, 2018



Tel: 250 832 7171
Fax: 250 832 2429
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BDO Canada LLP
571 6th Street NE, Suite 201
Salmon Arm BC V1E 1R6 Canada

October 19, 2018

Board of Directors
North Okanagan Columbia Shuswap Regional Hospital District

Dear Board of Directors:

We are pleased to present our audit plan for the audit of the financial statements of North Okanagan Columbia Shuswap Regional Hospital District the "Regional Hospital District" for the year ending December 31, 2018

Our report is designed to highlight and explain key issues which we believe to be relevant to the audit including audit risks, the nature, extent and timing of our audit work and the terms of our engagement. The audit planning report forms a significant part of our overall communication strategy with the Board of Directors and is designed to promote effective two-way communication throughout the audit process. It is important that we maintain effective two-way communication with the Board of Directors throughout the entire audit process so that we may both share timely information. We will communicate only those matters of governance interest that come to our attention as a result of the performance of the audit. We are not required to design audit procedures for the specific purpose of identifying matters of governance interest. The audit process will conclude with a Board of Directors meeting and the preparation of our final report to the Board of Directors.

This report has been prepared solely for the use of the Board of Directors and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

The Board of Directors plays an important part in the audit planning process and we look forward to meeting with you to discuss our audit plan as well as any other matters that you consider appropriate.

Yours truly,

A handwritten signature in black ink, appearing to read "Angie Spencer", is written over a light blue horizontal line.

Angie Spencer, CPA, CA
Partner
BDO Canada LLP
Chartered Professional Accountants



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TERMS OF REFERENCE

Our overall responsibility is to form and express an opinion on the financial statements. These financial statements are prepared by management, with oversight by those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities. The scope of our work, as confirmed in our engagement letter (as set out in Appendix A).

ENGAGEMENT OBJECTIVES

- Forming and expressing an audit opinion on the financial statements.
- Present significant findings to the Board of Directors including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from our work.
- Provide timely and constructive management letters. This will include deficiencies in internal control identified during our audit.
- Work with management towards the timely issuance of financial statements.

INDEPENDENCE

At the core of the provision of external audit services is the concept of independence. Canadian generally accepted auditing standards require us to communicate to the Board of Directors at least annually, all relationships between BDO Canada LLP and its related entities and North Okanagan Columbia Shuswap Regional Hospital District and its related entities, that, in our professional judgment, may reasonably be thought to bear on our independence for the forthcoming audit of the Regional Hospital District. Refer to Appendix B.



AUDIT TEAM

In order to ensure effective communication between the Board of Directors and BDO Canada LLP, the contact details of the engagement team are outlined below.

Name	Role	Phone number	Email address
Angie Spencer, CPA, CA	Engagement Partner	250-832-7171 Ext. 5575	aspencer@bdo.ca
Mike Boven, CPA, CA	Specialty and Commodity Tax Partner	250-492-6020 Ext. 6001	mboven@bdo.ca
Jessica Wan, CPA, CA	Assurance Manager	250-832-7171 Ext. 5577	jwanchunwah@bdo.ca
Emily Ready	Assurance Audit Senior	250-832-7171 Ext. 5576	eready@bdo.ca
Conor McCoach	Assurance Audit Staff	250-832-7171 Ext. 5556	cmcoach@bdo.ca



RESPONSIBILITIES

It is important for the Board of Directors to understand the responsibilities that rest with the Regional Hospital District and its management, those that rest with the external auditor and the responsibilities of those charged with governance. BDO's responsibilities are outlined within the annual engagement letter attached as Appendix A to this letter. The oversight and financial reporting responsibilities of management and the Board of Directors are summarized below.

MANAGEMENT'S RESPONSIBILITIES

- Maintain adequate accounting records and maintain an appropriate system of internal control for the Regional Hospital District.
- Select and consistently apply appropriate accounting policies.
- Prepare the annual financial statements.
- Safeguard the Regional Hospital District's assets and take reasonable steps for the prevention and detection of fraud and other irregularities.
- Make available to us, as and when required, all of the Regional Hospital District's accounting records and related financial information.

BOARD OF DIRECTORS' RESPONSIBILITIES

- Oversee the work of the external auditor engaged for the purpose of issuing an independent auditor's report.
- Facilitate the resolution of disagreements between management and the external auditor regarding financial reporting matters.
- Pre-approve all non-audit services to be provided to the Regional Hospital District or its subsidiaries by the external auditor.
- Review the financial statements before the Regional Hospital District publicly discloses this information.



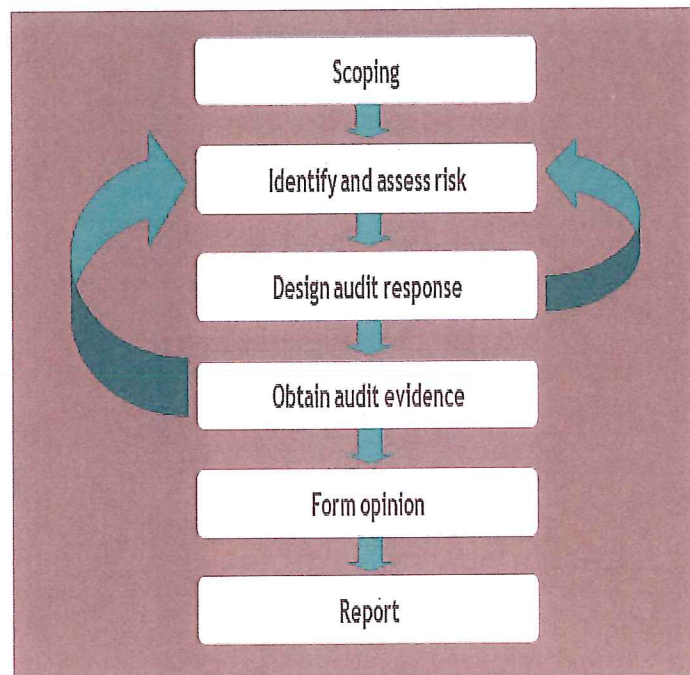
AUDIT STRATEGY

Our overall audit strategy involves extensive partner and manager involvement in all aspects of the planning and execution of the audit and is based on our overall understanding of the Regional Hospital District.

We will perform a risk based audit which allows us to focus our audit effort on higher risk areas and other areas of concern for management and the Board of Directors.

To assess risk accurately, we need to gain a detailed understanding of the Regional Hospital District's business and the environment it operates in. This allows us to identify, assess and respond to the risks of material misstatement.

To identify, assess and respond to risk, we obtain an understanding of the system of internal control in place in order to consider the adequacy of these controls as a basis for the preparation of the financial statements, to determine whether adequate accounting records have been maintained and to assess the adequacy of these controls and records as a basis upon which to design and undertake our audit testing.



Based on our risk assessment, we design an appropriate audit strategy to obtain sufficient assurance to enable us to report on the financial statements.

We choose audit procedures that we believe are the most effective and efficient to reduce audit risk to an acceptable low level. The procedures are a combination of testing the operating effectiveness of internal controls, substantive analytical procedures and other tests of detailed transactions.

Having planned our audit, we will perform audit procedures, maintaining an appropriate degree of professional skepticism, in order to collect evidence to support our audit opinion.



MATERIALITY

Misstatements, including omitted financial statement disclosures, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances and include an assessment of both quantitative and qualitative factors and can be affected by the size or nature of a misstatement, or a combination of both.

For purposes of our audit, we have set preliminary materiality at \$139,000 for the Regional Hospital District.

Our materiality calculation is based on the Regional Hospital District's preliminary results. In the event that actual results vary significantly from those used to calculate preliminary materiality, we will communicate these changes to the Board of Directors as part of our year end communication.

We will communicate all corrected and uncorrected misstatements identified during our audit to the Board of Directors, other than those which we determine to be "clearly trivial". Misstatements are considered to be clearly trivial for purposes of the audit when they are inconsequential both individually and in aggregate.

We encourage management to correct any misstatements identified throughout the audit process.



RISKS AND PLANNED AUDIT RESPONSES

Based on our knowledge of the Regional Hospital District's business, our past experience, and knowledge gained from management and the Board of Directors, we have identified the following significant risks; those risks of material misstatement that, in our judgment, require special audit consideration.

Significant risks arise mainly because of the complexity of the accounting rules, the extent of estimation and judgment involved in the valuation of these financial statement areas, and the existence of new accounting pronouncements that affect them. We request your input on the following significant risks and whether there are any other areas of concern that the Board of Directors has identified.

Revenue Recognition

Significant Risk

- CAS 240.26 states the auditor shall presume that there are risks of fraud in revenue recognition. Per CAS 240.A28, material misstatement due to fraudulent financial reporting relating to revenue recognition often results from an overstatement of revenues through or recording fictitious revenues. It may result also from an understatement of revenues.

Approach

- Review of controls in place for recording revenue.
- Review revenue recognition policy for consistency with the professional standards.

Risk of Management Override of Controls

Significant Risk

- Per Canadian Auditing Standard 240, "the auditor's responsibilities relating to fraud in an audit of financial statements," irrespective of our assessment of the risk of management control override, audit procedures must be performed to address the risk.

Approach

- Utilize computer-assisted audit techniques to analyze manual journal entries and unusual transactions.
- Review significant accounting estimates for potential biases.



FRAUD DISCUSSION

Canadian generally accepted auditing standards require us to discuss fraud risk with the Board of Directors on an annual basis. We have prepared the following comments to facilitate this discussion.

Required Discussion	BDO Response	Question to Board of Directors
Details of existing oversight processes with regards to fraud.	Through our planning process, and based on prior years' audits, we have developed an understanding of your oversight processes including: <ul style="list-style-type: none"> • Board of Directors charters; • Discussions at Board of Directors meetings and our attendance at those meetings; • Review of related party transactions; and • Consideration of tone at the top 	Are there any new processes or changes in existing processes relating to fraud that we should be aware of?
Knowledge of actual, suspected or alleged fraud.	Currently, we are not aware of any fraud.	Are you aware of any instances of actual, suspected or alleged fraud affecting the Regional Hospital District?

AUDITORS' RESPONSIBILITIES FOR DETECTING FRAUD

We are responsible for planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud, by:

- Identifying and assessing the risks of material misstatement due to fraud;
- Obtaining sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- Responding appropriately to fraud or suspected fraud identified during the audit.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error because fraud may involve collusion as well as sophisticated and carefully organized schemes designed to conceal it.

During the audit, we will perform risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the entity's internal control, to obtain



information for use in identifying the risks of material misstatement due to fraud and will make inquiries of management regarding:

- Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- Management's process for identifying and responding to the risks of fraud in the entity, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist;
- Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the entity; and
- Management's communication, if any, to employees regarding its view on business practices and ethical behaviour.

In response to our risk assessment and our inquiries of management, we will perform procedures to address the assessed risks, which may include:

- Inquire of management, the Board of Directors, and others related to any knowledge of fraud, suspected fraud or alleged fraud;
- Perform disaggregated analytical procedures and consider unusual or unexpected relationships identified in the planning of our audit;
- Incorporate an element of unpredictability in the selection of the nature, timing and extent of our audit procedures; and
- Perform additional required procedures to address the risk of management's override of controls including;
 - Testing internal controls designed to prevent and detect fraud;
 - Testing the appropriateness of a sample of adjusting journal entries and other adjustments for evidence of the possibility of material misstatement due to fraud;
 - Reviewing accounting estimates for biases that could result in material misstatements due to fraud, including a retrospective review of significant prior years' estimates; and
 - Evaluating the business rationale for significant unusual transactions.



BDO RESOURCES

BDO is one of Canada's largest accounting services firms providing assurance and accounting, taxation, financial advisory, risk advisory, financial recovery and consulting services to a variety of publicly traded and privately held companies.

BDO serves its clients through 105 offices across Canada. As a member firm of BDO International Limited, BDO serves its multinational clients through a global network of over 1,000 offices in more than 100 countries. Commitment to knowledge and best practice sharing ensures that expertise is easily shared across our global network and common methodologies and information technology ensures efficient and effective service delivery to our clients.

Outlined below is a summary of certain BDO resources which may be of interest to the Board of Directors.

PUBLICATIONS

BDO's national and international accounting and assurance department issues publications on the application of Public Sector Accounting Standards (PSAS).

For additional information on PSAS, including links to archived publications and model financial statements, please refer to the following link:

<https://www.bdo.ca/en-ca/services/assurance-and-accounting/a-a-knowledge-centre/psas/>

TAX BULLETINS, ALERTS AND NEWSLETTERS

BDO's national tax department issues a number of bulletins, alerts and newsletters relating to corporate federal, personal, commodity, transfer pricing and international tax matters.

For additional information on tax matters and links to archived tax publications, please refer to the following link:

<https://www.bdo.ca/en-ca/services/tax/>



APPENDIX A Engagement Letter



Tel: 250 832 7171
 Fax: 250 832 2429
 www.bdo.ca

BDO Canada LLP
 571 6th Street NE, Suite 201
 Salmon Arm BC V1E 1R6 Canada

October 19, 2018

North Okanagan Columbia Shuswap Regional Hospital District
 Box 978
 Salmon Arm, BC
 V1E 4P1

Dear Sir/Madam,

We understand that you wish for us to continue as the auditors of North Okanagan Columbia Shuswap Regional Hospital District for its fiscal year ended December 31, 2018 and subsequent years.

We are pleased to continue as your auditors subject to the terms and conditions of this Agreement, to which the attached Standard Terms and Conditions form an integral part. The definitions set out in the Standard Terms and Conditions are applicable throughout this Agreement. This Agreement will remain in place and fully effective for future years until varied or replaced by another relevant written agreement.

Angie Spencer, CPA, CA will be the Engagement Partner for the audit work we perform for you. The Engagement Partner will call upon other individuals with specialized knowledge to assist in the performance of Services.

Our Role as Auditors

We will conduct our audit(s) in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements prepared in accordance with Canadian public sector accounting standards are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall financial statement presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, whether by fraud or error, may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to your preparation and fair presentation of the financial statements 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 your internal controls. However, we will communicate to you concerning any significant deficiencies in internal controls relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate matters required by professional standards, to the extent that such matters come to our attention, to you, those charged with governance and/or the board of directors.

Reporting

Our audit will be conducted on the basis that the financial statements have been prepared in accordance with Canadian public sector accounting standards.

Our independent auditor's report will be substantially in the form set out in Canadian Auditing Standard (CAS) 700. The form and content of our report may need to be amended in the light of our audit findings. If we are unable to issue or decline to issue an audit report, we will discuss the reasons with you and seek to resolve any differences of view that may exist.

Role of Management and Those Charged with Governance

You acknowledge and understand that you have responsibility for:

- (a) the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The audit of the financial statements does not relieve you of your responsibilities;
- (b) such internal controls as you determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- (c) providing us with:
 - access, in a timely manner, to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - additional information that we may request for the purpose of the audit;
 - unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence;
 - financial and non-financial information (other information) that will be included in document(s) containing financial statements and our audit report thereon prior to the date of our auditor's report. If it is not possible to provide all the other information prior to the date of our auditor's report, you are responsible for provision of such other information as soon as practicable; and
 - written confirmation concerning representations made to us in connection with the audit. If appropriate and adequate written representations are not provided to us, professional standards require that we disclaim an audit opinion.

Financial Statement Services

We will obtain your approval, if during the course of our engagement we:

- (a) prepare or change a journal entry; or
- (b) prepare or change an account code or a classification for a transaction.



As agreed, we will provide assistance in the preparation of the financial statements.

These services create a threat to our independence. We, therefore, require that the following safeguards be put into place:

- (a) that you create the source data for all accounting entries;
- (b) that you develop any underlying assumptions for the accounting treatment and measurement of entries; and
- (c) that you review and approve the draft financial statements, including the notes to the financial statements.

Tax Services

Our audit is conducted primarily to enable us to express an opinion on the financial statements. The audit process is not designed to provide us with a full understanding of your tax situation and in particular, to allow us to determine whether the entity has specific tax compliance issues. We understand that you are not looking to BDO to provide you with any guidance or advice in regard to tax planning or compliance.

Additional Services

We are available to provide a wide range of services beyond those outlined in this Agreement. To the extent that any additional services that we provide to you that are not provided under a separate written engagement agreement, the provisions of this Agreement will apply to the services.

Standard Terms and Conditions

A copy of our Standard Terms and Conditions is attached as Appendix 1. You should ensure that you read and understand them. The Standard Terms and Conditions include clauses that limit our professional liability.

Please sign and return the attached copy of this Agreement to indicate your agreement with it. If you have any questions concerning this Agreement, please contact us before signing it.

It is a pleasure for us to be of service and we look forward to many future years of association with you.

Yours truly,

Chartered Professional Accountants

Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:

Signature

Position

Name (please print)

October 26, 2018
Date



Appendix 1 - Standard Terms and Conditions

1. Overview and Interpretation

- 1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services. To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.

- 1.2 In this agreement, the following words and expressions have the meanings set out below:

This Agreement - these Standard Terms and Conditions, the letter to which they are attached, and any supporting schedules or other appendices to the letter

Services - the services provided or to be provided under this Agreement

We, us, our, BDO - refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario

You, your - the party or parties contracting with BDO under this agreement, including the party's or parties' management and those charged with corporate governance. You and your does not include BDO, its affiliates or BDO Member Firms

BDO Member Firm or Firms - any firm or firms that form part of the international network of independent firms that are members of BDO International Limited

Confidential Information - information that contains identifying features that can be attributed to you or individual personnel

2. BDO Network and Sole Recourse

- 2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.
- 2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.
- 2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above as if they were a party to this agreement.

3. Respective Responsibilities

- 3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.

- 3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.

4. Working Papers and Deliverables

- 4.1 **Ownership** - Any documents prepared by us or for us in connection with Services belong solely to us.
- 4.2 **Oral advice and draft deliverables** - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.
- 4.3 **Translated documents** - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.
- 4.4 **Reliance by Third Parties** - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any third party other than you and any party to whom the assurance report is addressed. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.
- 4.5 **Consent to use the Report** - If we are requested to consent to the use of our report in connection with a continuous disclosure document, a public or private offering document, an annual report or any other document, we will consider, at the relevant time, providing consent and any conditions applicable to our consent. Our consent must be in writing. In order to provide consent, professional standards require that we read the other information in the related document and consider whether such information is materially inconsistent with the related financial statements. We will require adequate notice of the request for consent to allow us to consider your identification and resolution of events occurring in the period since the date of our report, and to obtain updated written representation letters. Such procedures will be performed at your cost.

5. Confidentiality

- 5.1 We agree to use Confidential Information provided by you only in relation to the services in connection with which the information is provided and we will not disclose the information, except where required by law, regulation or professional obligation. We may however, give Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services. Any party to whom we subcontract work will be required to keep Confidential Information confidential either by professional obligation or contract with us. Any BDO Member Firms or other subcontractors we use will be bound by the same confidentiality obligations.
- 5.2 BDO shall be entitled to include a description of services we render to or for you in marketing and research materials and disclose such information to third parties, provided that all such information will be made anonymous and not associated with you. Additionally, we may analyze information on an industry or sector basis for internal purposes or to provide industry/sector wide information to our clients or potential clients.



You consent to our using information obtained from you in this way provided that the outputs therefrom will not contain any identifying features that can be attributed to you.

6. Independence

- 6.1 Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to our clients in the performance of our services. We will communicate to you any relationships between BDO (including its related entities) and you that, in our professional judgment, may reasonably be thought to bear on our independence.

7. Offers of Employment

- 7.1 Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence. Your recruitment of an engagement team member from the current or prior year's engagement may compromise our independence and our ability to render agreed services to you. Engagement team members may include current and former partners and staff of BDO, other BDO Member Firms and other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that you and we can implement appropriate safeguards to maintain our independence.

8. Professional and Regulatory Oversight

- 8.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.
- 8.2 Certain regulatory bodies may also have the right to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law, we will advise you of any such investigation request or order prior to providing our working papers.
- 8.3 You agree to reimburse us for our time and expenses, including reasonable legal fees, incurred in responding to any investigation that is requested or authorized by you or investigations of you undertaken under government regulation or authority, court order or other legal process.

9. Privacy and Consents

- 9.1 You agree we will have access to all personal information in your custody that we require to complete our engagement. We may collect, use, transfer, store, or process such information disclosed by you of a personal nature (personal information). Our Services are provided on the understanding that:
- (a) you have obtained any consents for collection, use and disclosure to us of personal information required under all applicable privacy legislation; and
 - (b) we will hold all personal information in compliance with our Privacy Statement.

10. Electronic Communications

- 10.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.
- 10.2 By signing this agreement, you provide BDO with express consent to communicate with you and your employees, as applicable, electronically, including sending BDO newsletters, publications, announcements, invitations and other news and alerts that may be of interest to you. You and your employees may withdraw such consent at any time by contacting BDO at www.bdo.ca/unsubscribe.

11. Limitation of Liability

- 11.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO shall only be liable for its proportionate share of the total liability based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator as a result of the dispute resolution procedures, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.
- 11.2 Our liability shall be restricted to damages of a direct and compensatory nature and shall not include indirect, consequential, aggravated or punitive damages, or damages for loss of profits or expected tax savings, whether or not the likelihood of such loss or damage was contemplated.
- 11.3 You agree that BDO shall in no event be liable to you for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the Services performed hereunder for an aggregate amount of more than the higher of:
 - (a) three times the fees paid by you to BDO in the twelve months preceding the incident giving rise to the claim; and
 - (b) \$25,000.
- 11.4 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
- 11.5 You agree claims or actions relating to the delivery of Services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.

12. Indemnity

- 12.1 To the fullest extent permitted by applicable law and professional regulations, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors'



fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:

- (a) a misrepresentation by a member of your management or board of directors, regardless of whether such person was acting in your interest;
- (b) the services performed by BDO pursuant to this Agreement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the gross negligence of BDO. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by you, failing which, the matter may be referred to dispute resolution in accordance with the terms of this letter.

13. Alternative Dispute Resolution

- 13.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this agreement or the Services provided hereunder through good faith negotiations.
- 13.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation pursuant to the National Mediation rules of the ADR Institute of Canada Inc. All disputes remaining unsettled for more than 60 days following the parties first meeting with a mediator or such longer period as the parties mutually agree upon shall be subject to arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada Inc. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision. The parties hereby waive any such right of appeal which may otherwise be provided for in any provincial arbitration statute made applicable under the National Arbitration Rules.

14. Limitation Period

- 14.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware or ought reasonably to have become aware of the facts giving rise to any such claim.
- 14.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than two years after the completion of the Services under this Agreement.
- 14.3 To the extent permitted by law, the parties to this Agreement agree that the limitation periods established in this Agreement replace any limitation periods under any limitations act and/or any other applicable legislation and any limitation periods under any limitations act and/or any other applicable legislation shall not alter the limitation periods specified in this Agreement.

15. Québec Personnel

- 15.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as grounds for excluding or limiting their own liability. The provisions in Sections 11

(Limitation of Liability) and 14 (Limitation Period) shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.

16. Termination

- 16.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).
- 16.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all Services performed up to the date of termination, including Services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

17. Fees and Billings

- 17.1 Our estimated fee is based on an assumed level of quality of your accounting records, the agreed upon level of preparation and assistance from your personnel and adherence to the agreed-upon timetable. Our estimated fee also assumes that your financial statements are in accordance with the applicable financial reporting framework and that there are no significant new or changed accounting policies or issues or internal control or other reporting issues. We will inform you on a timely basis if these factors are not in place.
- 17.2 Should our assumptions with respect to the quality of your accounting records be incorrect or should the conditions of the records, degree of cooperation, results of audit procedures, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.
- 17.3 Our professional fees will be based on our billing rates which depend on the means by which and by whom our Services are provided. We also will bill you for our out-of-pocket expenses, our administrative charge (described below), and applicable Goods and Services Sales Tax, Harmonized Sales Tax, Quebec Sales Tax and Provincial Sales Tax.
- 17.4 Our administrative charge is calculated as a percentage of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure, telephone charges, photocopying and some support staff time costs.
- 17.5 Our accounts are due when rendered. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

18. Governing Laws

- 18.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of the province or territory in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.



19. Entire Agreement and Survival

- 19.1 This Agreement sets forth the entire agreement between the parties with respect to the subject matter herein, superseding all prior agreements, negotiations or understandings, whether oral or written, with respect to such subject matter. It is understood that this Agreement will not be superseded by any contract with us for other specific services that are not of the same scope as the Services contemplated in this Agreement, unless the other contract explicitly references this Agreement and an intent to supersede it.
- 19.2 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

20. Force Majeure

- 20.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

21. Assignment

- 21.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

22. Severability

- 22.1 If a court or regulator with proper jurisdiction determines that a provision of this Agreement is invalid, then the provision will be interpreted in a way that is valid under applicable law or regulation. If any provision is invalid, the rest of this Agreement will remain effective.

Version: 201801



APPENDIX B

Independence Letter

October 19, 2018

Members of the Board of Directors
North Okanagan Columbia Shuswap Regional Hospital District

Dear Board of Directors Members:

We have been engaged to audit the financial statements of North Okanagan Columbia Shuswap Regional Hospital District (the "Regional Hospital District") for the year ended December 31, 2018.

Canadian generally accepted auditing standards (GAAS) require that we communicate at least annually with you regarding all relationships between the Regional Hospital District and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, we have considered the applicable legislation and relevant rules of professional conduct and related interpretations prescribed by the appropriate provincial institute/ordre covering such matters as:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since March 27, 2018, the date of our last letter.

We are not aware of any relationships between the Regional Hospital District and our Firm that, in our professional judgment may reasonably be thought to bear on independence that have occurred from March 27, 2018 to October 19, 2018.

We hereby confirm that we are independent with respect to the Regional Hospital District within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia as of October 19, 2018.

This letter is intended solely for the use of the Board of Directors, Management and others within the Regional Hospital District and should not be used for any other purposes.



Yours truly,

A handwritten signature in black ink, appearing to read "Angie Spencer" followed by a checkmark.

Angie Spencer, CPA, CA
Partner
BDO Canada LLP
Chartered Professional Accountants



Mr. Charles Hamilton, Chief Administrative Officer
 North Okanagan / Columbia Shuswap
 Regional Hospital District
 Box 978, 555 Harbourfront Drive NE
 Salmon Arm, BC V1E 4P1

December 10, 2018

Dear Mr. Hamilton:

RE: CAPITAL FUNDING REQUEST FOR THE 2019/20 FISCAL YEAR

We are providing your Regional Hospital District (RHD) with our annual funding request letter for your consideration. As in prior years it is based on Interior Health's (IH) capital budget for the 2019/20 fiscal year and incorporates identified priorities for construction projects, equipment and information technology (IMIT). Intensive engagement occurs during the capital budget development, including involvement of staff and physicians at the site, regional and program level throughout IH. Alignment with IH's and government strategic priorities and the need to replace aging infrastructure were taken into consideration during this process.

For the 2019/20 fiscal year we are requesting funding for the following projects and equipment:

1. Construction Projects over \$100,000

a. Emergency Generator at Queen Victoria Hospital, Revelstoke

This acute care site is currently serviced by only one emergency generator and this is a remote site which experiences numerous power failures throughout the year. The existing single diesel generator is under sized and is to be replaced with two new redundant emergency generators. The generators will be sized to back up all the essential loads of the hospital. This new electrical system will incorporate a "bumpless" or closed transition automatic transfer switch which will allow the hospital to test the emergency power system on a weekly basis without power interruption to the hospital's normal operations. The work will include a new high voltage electrical service to serve a new 600 volt primary distribution and upgrades to portions of the 208 volt distribution to provide improved reliability of the system.

For budgeting purposes we are including the proposed cashflow for this project with spending of approximately \$700,000 in 2019, \$3.8M in 2020 and \$450,000 in 2021.

b. Medical Device Reprocessing (MDR) Redesign and Expansion at Vernon Jubilee Hospital, Vernon

IH is expanding surgical services across the region in order to increase surgical capacity, reduce surgical waitlists and improve efficiency and quality. This particular project's total cost is \$2.01M and is part of this IH-wide Surgical Strategy. The scope of work is:

1. Develop space for two offices, three workstations and one large loaner room;
2. Renovate an area adjacent to the MDR to create space for additional clean storage and a new five piece carousel;
3. Install additional electrical, mechanical, HVAC and instrument air to support the renovation scope;
4. Install two new additional sterilizers;
5. Install one new additional washer.

Interior Health Authority
 5th Floor - 505 Doyle Ave.
 Kelowna, BC V1Y 0C5
 Web: www.interiorhealth.ca

VP Support Services & Chief Financial Officer
 Telephone: (250) 862-4025 Fax: (250) 862-4201
 E-Mail: donna.lommer@interiorhealth.ca

c. Pharmacy Renovation at Shuswap Lake General Hospital, Salmon Arm

The sterile compounding area in the pharmacy department at this site requires upgrading, including new equipment, air filtration, and air flow handling. Effective May 2021, the College of Pharmacists of British Columbia bylaws will require all pharmacies in B.C. to adopt the National Association of Pharmacy Regulatory Authorities model standards for sterile compounding. Compounding allows individual ingredients to be mixed together in personalized strengths and dosages based on a patient's needs. High-quality standards ensure preparation quality and safety when compounding drugs for patients. If a pharmacy is unable to meet these standards they are not to prepare sterile compounded medications, which include chemotherapy and intravenous medications.

d. Chiller Replacement at Queen Victoria Hospital, Revelstoke

This 40 year old chiller is past its useful life and runs with very high utility costs. Loss of the cooling system will have a negative impact on the patients, staff and temperature sensitive equipment. The scope of this project will be to replace the chiller and auxiliary equipment with a reliable heat recovery chiller system to provide heating water and pre-heat domestic hot water, thereby aligning with carbon reduction and sustainability goals. This project's 60% portion will be funded through the Ministry of Health's Carbon Neutral Capital Program.

e. Leasehold Improvements – Renovation/Expansion/Relocation for Shuswap Community Care Services, Salmon Arm

This project will align with IH's strategic agenda to provide comprehensive, person-centred, culturally safe, quality primary care services and coordinate patients' access to specialized community services programs. To improve access for those with complex medical conditions and/or frailty IH is moving community services within Salmon Arm over the next three years in order to address an upcoming lease termination and take advantage of an opportunity to consolidate programs within the community, addressing current needs and future growth. The move of services also provides the opportunity for a fresh look at space organization and utilization, which is expected to find efficiencies. Health professionals will have the opportunity to provide coordinated, integrated community services to the residents of Salmon Arm in newly refreshed and well planned space.

f. Modernize Elevator at Queen Victoria Hospital, Revelstoke

This project entails the complete modernization of this elevator which is past its life expectancy and the only elevator at the site. Scope of work will include a new controller, fixtures, power unit, door operator and other miscellaneous safety upgrades.

2. Construction Projects under \$100,000

a. Staff Duress System at Pleasant Valley Health Centre and Armstrong Community Services, Armstrong

Each staff member will be provided with a personnel badge that features wireless call functionality. In the event they are faced with a threatening situation, staff simply presses their badge's call-button to summon help via annunciation stations tied into the system. The staff duress system enables faster response times during emergencies by identifying the location of the specific employee at risk. This solution provides workers with the peace of mind knowing that they are protected in an emergency situation.

b. Retaining Wall and Security Fence Replacement at Parkview Place, Enderby

This site has pressure treated wood retaining walls on the patio from 1993 which are rotting and leaning posing a danger to persons in care, visitors and staff. The loading dock gate needs to be enlarged for easy egress and the security fence needs replacing as it has deteriorated. Scope of work will include concrete retaining walls, security fence and a redesign of the area by the loading dock for better access.

c. Repave Parking Lot at Pleasant Valley Manor, Armstrong

Freeze and thaw cycles over the seasons have caused heaving in the ground which has severely impacted the asphalt paving and has caused potholes and erosion in the parking lot at this site. This deterioration of the parking lot is a safety issue for persons in care, visitors and staff. The scope of work will include excavation and installation as a new base to accept asphalt.

3. IH-Wide IMIT

As part of the ongoing advancement of the IH digital platform to support health service operations, enable key strategies, improve quality and patient safety, and incorporate innovation to improve effectiveness and efficiency, IH IMIT strategy focuses on expanding technology that supports information exchange between providers. This includes improved communication systems between providers and patients and improved processing of clinical documentation.

This IMIT project is an IH-wide initiative costing approximately \$9 million. The project's benefits are distributed equally across IH regions; therefore the cost allocation to each of the seven RHDs is based upon population data using the PEOPLE 2018, BC Statistics. The North Okanagan/Columbia Shuswap RHD's percentage ratio is approximately 17%. Claims on this project will be calculated using this percentage for the actual cost distribution.

4. IMIT over \$100,000

Ortho Templating Software for Surgical Efficiency at Vernon Jubilee Hospital, Vernon

Ortho Templating is orthopedic pre-operative planning software which enables surgeons to accurately template patient images, take measurements, and simulate digitally the expected result prior to surgery. This should greatly reduce the time required to plan and improve the accuracy of implants by reducing corrections at time of surgery resulting in saved time, costs and improved patient outcomes. This project's total cost is \$444,000 and is part of the IH-wide surgical strategy. This software will be implemented at the six regional hospitals. Vernon Jubilee Hospital's portion of the total budget will be \$74,000 of which we are asking your RHD to fund 40% in the amount of \$29,600.

5. Equipment over \$100,000

Please note that pictures shown below are for illustrative purposes only and may not depict the actual equipment to be purchased by IH, which will be established during the procurement process.

a. Medstations, IH-Wide Pyxis Replacement, Phase 4 for Vernon Jubilee Hospital, Vernon

Automated dispensing cabinets (ADC) for medications were first introduced in IH in 2006. This technology has brought improvements in patient safety and workflow that have been well-supported by both nursing and pharmacy staff. In August 2014 IH was informed that the current platform (Pyxis 3500) was approaching end of life and will no longer be supported by the vendor. After extensive consultation with stakeholders IH decided to replace the Pyxis 3500 with Omnicell XT. This newest platform has a number of improvements over the older technology and will further increase patient safety and workflow.



In 2016/17 an IH-wide common structure was required before the ADC replacements could begin. This infrastructure was part of Phase 1 and included servers, software and staffing resources for configuration. The replacement of the individual ADC's started in 2016/17 (Phase 1) and continued in 2017/18 (Phase 2) and 2018/19 (Phase 3). The entire ADC replacement project will be completed by the end of 2019/20 as Phase 4. This project is for the actual purchase of the Omnicell ADC's, renovations and project staffing specifically at this site and is classified as Phase 4 as part of the entire IH rollout.

b. Monitoring System, Physiological for Vernon Jubilee Hospital, Vernon and Shuswap Lake General Hospital, Salmon Arm

Physiological monitoring systems consist of a bedside monitor connected to a central system and the patient. This system continuously monitors the patient's ECG, blood pressure, temperature, and blood oxygen levels among other vital signs. This information is also sent to a central system, which displays all of this information for each patient in real time at the nursing station. Alarms sound to alert clinicians if certain parameters fall outside of acceptable ranges, and trends are recorded to help clinicians assess a patient's progress. This new system is replacing a 2010 model at Shuswap Lake General Hospital and a 2011 model at Vernon Jubilee Hospital, both located in the Intensive Care Unit.



c. Holmium Laser for Vernon Jubilee Hospital, Vernon

This equipment is used for urology surgery and combines cutting, ablation and coagulation properties for precise, virtually bloodless procedures. It is also extremely effective in fragmenting urinary stones in the bladder, ureter and/or kidney of all compositions, making it an ideal multipurpose surgical tool. Because its laser light is transmitted through flexible fibers, it is especially suited for minimally invasive endoscopic and laparoscopic procedures. This purchase is replacing a 2002 model in the surgical department that is at end of its technological life. Investment in this technology will support providing elective and emergency care within the community.



d. Laboratory Middleware for Various Facilities

Middleware is software that connects laboratory analyzers and the Laboratory Information System. This software enables communication and data management between those two complex environments. Middleware is a general term for software that "glues together" or bridges the gap between separate, complex programs or systems.

Middleware will allow IH laboratories to enhance and streamline operations. This software streamlines quality control processes that ensure the integrity of laboratory results. The middleware provides the opportunity to integrate and automate repetitive tasks. It is very customizable and adaptable, and will allow IH laboratories to easily incorporate new technology and equipment.

The total cost for the purchase and implementation of this new Laboratory Middleware at all IH laboratory sites is \$1.2M and the North Okanagan/Columbia Shuswap RHD's portion of the total budget will be \$205,750 of which we are asking your RHD to fund 40% in the amount of \$82,300.

6. Equipment under \$100,000 (Global Grant)

We are requesting global funding for equipment that costs between \$5,000 and \$100,000.

Although the 2019/20 budget has been approved by the IH board, all capital spending over \$100,000 regardless of funding source must also be approved annually by government. We will be providing you with information regarding notional government funding and a high level estimate for your planning purposes of the three year funding requirement, as well as a listing of IH's major prioritized items under separate cover.

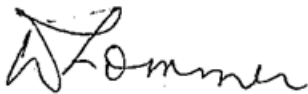
Please be advised we may approach your RHD to contribute towards additional items at a later date should circumstances dictate the need to commence new capital initiatives. We recognize that these late requests present challenges to your capital budget process and thank you for your understanding should such requests be presented for your consideration.

We have included as Appendix 1 a financial summary of our funding request, which totals \$6,813,300. We acknowledge that this amount is higher than amounts previously estimated in our three year notional funding projections (\$4 million per February 2018 letter, and \$2.8 million per February 2017 letter). For 2019/20, there are a number of major infrastructure investments required at facilities within the North Okanagan/Columbia Shuswap region. These are critical projects that are necessary to ensure the sustainability of services in those communities. Unfortunately, they have arisen at the same time. The deferment of the Queen Victoria Hospital emergency generator replacement project from last year has added further pressure, as costs have escalated in a very competitive construction market. Due to an increased risk of failure of this unit, we are unable to defer the project any longer.

It would be appreciated if you could submit it to your Board for approval. Please advise us of the meeting date when funding will be discussed and whether you would like to have IH representatives attend to answer questions that the Directors may have. Upon approval, please send Birgit Koster copies of the relevant bylaws for our records.

We thank you for your on-going support of our capital initiatives. If you require further information, or if you have any questions or concerns, please contact Dan Goughnour or me directly.

Sincerely,



Donna Lommer, CPA, CGA, EMBA
VP Support Services & CFO

/at

Encl. Appendix 1 ~ Summary of Regional Health District Funding Request for 2019/20

cc: Rhona Martin, Chair, NOCSRHD
Jodi Pierce, Manager Financial Services, NOCSRHD
Richard Harding, Acute Health Service Administrator, North Okanagan
Peter Du Toit, Acute Health Service Administrator, Thompson Cariboo Shuswap
Dan Goughnour, Director, Business Support
Lorne Sisley, Corporate Director, Facilities Management and Operations
Birgit Koster, Director Business Support, Capital Planning

Interior Health
North Okanagan Columbia Shuswap
Summary of Regional Hospital District
Funding Request
for 2019/20

Facility	Location	Project/Equipment Description	Total Budget	RHD Share	2019/20 Funding Request
		<u>Construction Projects over \$100,000</u>			
Queen Victoria Hospital	Revelstoke	Emergency Generator	\$ 4,950,000	\$ 1,980,000	\$ 1,980,000
Vernon Jubilee Hospital	Vernon	Medical Device Reprocessing Redesign and Expansion	2,010,000	804,000	804,000
Shuswap Lake General Hospital	Salmon Arm	Pharmacy Renovation	1,080,000	432,000	432,000
Queen Victoria Hospital	Revelstoke	Chiller Replacement	823,000	329,200	329,200
Shuswap Community Care Services	Salmon Arm	Leasehold Improvements - Renovation/Expansion/Relocation	600,000	240,000	240,000
Queen Victoria Hospital	Revelstoke	Modernize Elevator	280,000	112,000	112,000
		<u>Construction Projects under \$100,000</u>			
Pleasant Valley Health Centre/Armstrong Community Services	Armstrong	Staff Duress System	90,000	36,000	36,000
Parkview Place	Enderby	Retaining Wall and Security Fence Replacement	85,000	34,000	34,000
Pleasant Valley Manor	Armstrong	Repave Parking Lot	60,000	24,000	24,000
		<u>IH-Wide IMIT</u>			
Regional		Various	1,608,000	643,200	643,200
		<u>IMIT over \$100,000</u>			
Vernon Jubilee Hospital	Vernon	Ortho Templating Software for Surgical Efficiency	74,000	29,600	29,600
		<u>Equipment over \$100,000</u>			
Vernon Jubilee Hospital	Vernon	Medstations, IH-Wide Pyxis Replacement, Phase 4	2,939,000	1,175,600	1,175,600
Vernon Jubilee Hospital/Shuswap Lake General Hospital	Vernon/Salmon Arm	Monitoring System, Physiological	465,000	160,200	160,200
Vernon Jubilee Hospital	Vernon	Laser, Holmium	270,000	108,000	108,000
Various	Various	Laboratory Middleware	205,750	82,300	82,300
		<u>Equipment under \$100,000 (Global Grant)</u>			
All Facilities		Equipment between \$5,000 and \$100,000	1,558,000	623,200	623,200
TOTAL			\$ 17,097,750	\$ 6,813,300	\$ 6,813,300

NOCSRHD BOARD REPORT

TO: Chair and Directors

File No: 8900 42

SUBJECT: 2019 NOCSRHD Five Year Financial Plan

DESCRIPTION: Report from Jodi Pierce, Manager, Financial Services, dated January 31, 2019.
For discussion and direction.

SHORT SUMMARY:

Staff requires direction in order to prepare the final budget for the Regional Hospital District.

BACKGROUND:

On December 18, 2018, the North Okanagan Columbia Shuswap Regional Hospital District received the 2019/2020 annual capital requests from the Interior Health Authority (attached per Item 5.2 of the agenda). This document detailed a significantly increased request in the amount of \$6,813,300 (2018 - \$2,658,400). Given the significant increase, staff requires direction in order to prepare the final budget for the Regional Hospital District, and to that end have presented 3 options for the Board to consider (see attached documents).

Option 1

To fund this entire amount by way of taxation would represent an average tax increase of 62.5% or approximately \$150 per average residential property valued at \$381,737 (2018 - \$92). For obvious reasons, this is not a palatable increase.

Option 2

There are 3 large projects that are in excess of \$800,000. I have provided this option that those 3 projects would be funded via long-term debt. The interim borrowing interest would be funded through taxation but the capital cost of the projects would be funded with debt. The amortization would be for 15 years on the all projects. We could look at a 20 year term for the generator but it would not result in significant savings. This option would have an average tax increase of 13.1% or approximately \$104 per average residential property and a further increase of 13.4% in 2020 or approximately \$118 per average residential property.

Option 3

The final option presented is Option 2 plus utilizing \$650,000 from reserves to bring the tax rate down to an average increase of 4.7% or \$96 per average residential property. The concern with this option is that using the reserves would result in a 22.5% projected increase in 2020; or have to use additional reserves in 2020 to keep the increase at 6.5% and at that point, the accumulated cash reserves would be almost fully depleted. Using all the reserves would then not provide any flexibility for emergency funding or anomalies in the annual ask in future years.

A planning letter dated February 29, 2018 indicated the 2019/2020 ask would be \$4 million dollars. This is the second year in a row where the final request was significantly more than the planning letter indicated it would be. Last year, staff requested that IHA review the capital request and reduce the request, which was accommodated. Preliminary information from IHA indicates that the ask for the next two years will be approximately \$3 million dollars annually which is close to what was projected in the

five year plan provided by staff but another deviation from the planning letter would leave no cash reserves to deal with requests that are higher than projected.

Also, the Board should be aware that the Vernon Jubilee Inpatient Psychiatric Unit development will likely be coming within the next 5 years and that project is estimated to be between \$60 to \$70 million dollars. The Regional Hospital District share of that project would be between \$24 to \$28 million dollars. Obviously a project of that magnitude would have to be funded with long term debt but the financing costs become part of the annual requisition for many years and will have a significant impact. The current existing debt has the following expiration dates:

- Issue 106 - October 2019 - annual financing and repayment costs \$81,158
- Issue 102 – December 2022 – annual financing and repayment costs \$130,512
- Issue 124 - April 2023 - annual financing and repayment costs \$172,186
- Issue 106 - October 2029 - annual financing and repayment costs \$286,265
- Issue 146 - September 2033 - annual financing and repayment costs \$290,220
- Issue 106 - October 2034 - annual financing and repayment costs \$1,781,726
- Issue 112 - October 2035 - annual financing and repayment costs \$458,613
- Issue 116 - April 2036 - annual financing and repayment costs \$2,019,078
- Issue 117 - October 2036 - annual financing and repayment costs \$593,376

This does not include the outstanding temporary borrowing for the MRI project that is currently under construction.

Other options:

1. The Board could request the Interior Health Authority to refine their annual request again for the current year.
2. Some other combination of the above options.

POLICY:

In accordance with the Hospital District Act, the 2019-2023 Five Year Financial Plan must be approved by March 31, 2019. The current options have been provided using the 2019 Completed Roll for assessment purposes.

FINANCIAL:

To be determined upon direction from the Board.

KEY ISSUES/CONCEPTS:

To identify a course of action for the preparation of the 2019 Five Year Financial Plan.

DESIRED OUTCOMES:

That the Board determine a preferred option for staff to use in finalizing the 2019 Five Year Financial Plan.

Report Approval Details

Document Title:	2019-02-05_NOCSRHD_2019 Five Year Plan Discussion.docx
Attachments:	<ul style="list-style-type: none">- NOCHRHD Estimated Tax Requisition Summaries.pdf- NOCHRHD Five Year Planning Document - Option 1.pdf- NOCHRHD Five Year Planning Document - Option 2.pdf- NOCHRHD Five Year Planning Document - Option 3.pdf
Final Approval Date:	Feb 1, 2019

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Lynda Shykora was completed by assistant Jennifer Sham

Lynda Shykora - Feb 1, 2019 - 9:58 AM

A handwritten signature in black ink, appearing to read 'C. Hamilton', with a stylized flourish at the end.

Charles Hamilton - Feb 1, 2019 - 10:23 AM

NOC SRHD - 2019 TAX REQUISITION

OPTION 1 - FULL TAXATION

Member Municipality	2019 Total Assessments	2018 Actual Requisition	2019 Actual Requisition	+/-	%
City of Armstrong	882,763,302	225,791	370,982	145,191	64.3%
City of Enderby	428,656,871	117,469	188,492	71,023	60.5%
City of Revelstoke	1,878,212,156	508,436	880,254	371,818	73.1%
City of Vernon	9,355,451,494	2,663,349	4,284,500	1,621,151	60.9%
District of Coldstream	2,760,547,016	665,842	1,071,824	405,982	61.0%
City of Salmon Arm	3,518,869,336	1,000,519	1,613,937	613,418	61.3%
Township of Spallumcheen	974,100,876	276,921	467,003	190,082	68.6%
District of Sicamous	821,323,484	218,551	352,594	134,043	61.3%
Village of Lumby	298,150,315	82,717	138,061	55,344	66.9%
Electoral Areas	8,080,596,245	2,012,061	3,262,277	1,250,216	62.1%
	\$ 28,998,671,095	\$ 7,771,656	\$ 12,629,924	\$ 4,858,268	62.5%

(Assessments from BCAA 2019 COMPLETED ROLL)

OPTION 2 - PARTIAL BORROWING

Member Municipality	2019 Total Assessments	2018 Actual Requisition	2019 Actual Requisition	+/-	%
City of Armstrong	882,763,302	225,791	258,165	32,374	14.3%
City of Enderby	428,656,871	117,469	131,171	13,702	11.7%
City of Revelstoke	1,878,212,156	508,436	612,565	104,129	20.5%
City of Vernon	9,355,451,494	2,663,349	2,981,565	318,216	11.9%
District of Coldstream	2,760,547,016	665,842	745,878	80,036	12.0%
City of Salmon Arm	3,518,869,336	1,000,519	1,123,132	122,613	12.3%
Township of Spallumcheen	974,100,876	276,921	324,986	48,065	17.4%
District of Sicamous	821,323,484	218,551	245,369	26,818	12.3%
Village of Lumby	298,150,315	82,717	96,076	13,359	16.2%
Electoral Areas	8,080,596,245	2,012,061	2,270,205	258,144	12.8%
	\$ 28,998,671,095	\$ 7,771,656	\$ 8,789,112	\$ 1,017,456	13.1%

(Assessments from BCAA 2019 COMPLETED ROLL)

OPTION 3 - PARTIAL BORROWING AND USING RESERVES

Member Municipality	2019 Total Assessments	2018 Actual Requisition	2019 Actual Requisition	+/-	%
City of Armstrong	882,763,302	225,791	239,072	13,281	5.9%
City of Enderby	428,656,871	117,469	121,470	4,001	3.4%
City of Revelstoke	1,878,212,156	508,436	567,263	58,827	11.6%
City of Vernon	9,355,451,494	2,663,349	2,761,063	97,714	3.7%
District of Coldstream	2,760,547,016	665,842	690,716	24,874	3.7%
City of Salmon Arm	3,518,869,336	1,000,519	1,040,070	39,551	4.0%
Township of Spallumcheen	974,100,876	276,921	300,951	24,030	8.7%
District of Sicamous	821,323,484	218,551	227,223	8,672	4.0%
Village of Lumby	298,150,315	82,717	88,971	6,254	7.6%
Electoral Areas	8,080,596,245	2,012,061	2,102,311	90,250	4.5%
	\$ 28,998,671,095	\$ 7,771,656	\$ 8,139,110	\$ 367,454	4.7%

(Assessments from BCAA 2019 COMPLETED ROLL)

NOC SRHD - 2019 Five Year Financial Plan - Cashflow Worksheet

OPTION 1 - FULL CAPITAL REQUEST FUNDED BY TAXATION

			Bylaw	Project Total	NOC SRHD Portion	Previously funded	2019	2020	2021	2022	2023			
Minor Equipment		Global Grant (estimated for 2020-2023)					623,200	638,800	654,800	671,200	688,000	annual		
Capital Equipment	QVH	Video Conferencing Infrastructure Refresh	65	30,000	12,000	8,353	3,647					to complete		
		Anaesthetic Unit with Monitor	71	120,000	48,000	47,753	247					to complete		
	VJH	Chemistry Analyzer	62	145,000	58,000	-	58,000					non start		
		Table, Surgery	62	144,000	57,600	52,825	4,775					to complete		
		Medi-stations (VJH/SLGH)	64	80,000	32,000	31,600	400					to complete		
		Wireless Infrastructure Expansion	65	20,000	8,000	-	8,000					non start		
		Integrated Chemisty/Immunochemistry Analyzer (ac	65	322,000	128,800	-	70,800					non start		
		Hematology Analyzer	65	170,000	68,000	-	68,000					non start		
		Vocera	71	180,000	72,000	28,027	43,973					to complete		
		Wireless Infrastructure Refresh	71	99,000	39,600	30,520	9,080					to complete		
		Medstations, IH Wife Pyxis Replacement, Phase 4		2,939,000	1,175,600		1,175,600					new 2019		
		Monitoring System, Physiological		465,000	160,200		160,200					new 2019		
		Laser, Holmium		270,000	108,000		108,000					new 2019		
		Ortho Templating Software for Surgical Efficiency		74,000	29,600		29,600					new 2019		
			SLGH	Sterilizer - Low Temp VHP	65	159,000	63,600	-	63,600					non start
Electronic Emergency Department Medical Summai	71			220,000	88,000	20,573	67,427					to complete		
Medistation, IH wide Pyxis replacement	71			489,000	195,600	169,963	25,637					to complete		
	Gateby/Noric Hous	Resident Bus	71	117,000	46,800		46,800					non start		
	Various		71											
		Specialized Surgical Services	65	107,000	42,800	25,282	17,518					to complete		
		Telehealth Expansion	65	3,250	13,300	10,713	2,587					to complete		
	Regional	Corporate Projects over \$100K	65	684,500	273,800	193,796	80,004					to complete		
		Corporate Projects under \$100K	65	346,500	138,600	119,533	19,067					to complete		
		IH Wide IMIT	71	3,274,000	1,309,600	438,265	871,335					to complete		
		IH Wide IMIT		1,608,000	643,200		643,200					new 2019		
		Laboratory Middleware		205,750	82,300		82,300					new 2019		
	Bastion Place	Cooler/Freezer, Walk In	65	135,000	54,000	35,421	18,579					to complete		
		Resident Bus	65	117,000	46,800	46,300	500					to complete		
		Wireless Infrastructure Refresh	71	20,000	8,000		8,000					non start		
	Vernon Health	Wireless Infrastructure Expansion	65	40,000	16,000	6,843	9,157					to complete		
	Noric House	Wireless Infrastructure Expansion	65	15,000	6,000	-	6,000					non start		
Parkview Place														
	PV Manor	Laser, Retinal, Fibre Optic	64	122,000	48,800	-	48,800					non start		
	Polson Care Centn	Vocera Expansion	71	99,000	39,600		39,600					non start		
	Salmon Arm Health	Wireless Infrastructure Expansion	71	30,000	12,000		12,000					non start		

NOCSRHD - 2019 Five Year Financial Plan - Cashflow Worksheet

OPTION 1 - FULL CAPITAL REQUEST FUNDED BY TAXATION

			Bylaw	Project Total	NOCSRHD Portion	Previously funded	2019	2020	2021	2022	2023	
Capital Projects	QVH	Queen Victoria Hospital (15 years)	27*	-	-	-	130,512	130,512	130,512	130,512	0	Deb Issue 102 (15 Yr)
		Parking lot lighting upgrades	71	90,000	36,000	33,596	2,404					to complete
		Emergency Generator		4,950,000	1,980,000		1,980,000					new 2019
		Chiller Replacement		823,000	329,200		329,200					new 2019
		Modernize Elevator		280,000	112,000		112,000					new 2019
	VJH	Infrastructure Modifications (10 Years)	44*	-	-	-	172,186	172,186	172,186	172,186	148,561	Deb Issue 124 (10 Yr)
		Construction Phase (25 Years) (1st half)	45*	-	-	-	1,781,726	1,781,726	1,781,726	1,781,726	1,781,726	Deb Issue 106 (25 Yr)
		Construction Phase (25 Years) (2nd half)	45*	-	-	-	2,019,078	2,019,078	2,019,078	2,019,078	2,019,078	Deb Issue 116 (25 Yr)
		Additional Floor (25 Years) (included above)	46*	-	-	-	593,376	593,376	593,376	593,376	593,376	Deb Issue 117 (25 Yr)
		Polson Tower Completion (15 years)	58*	29,563,000	5,525,000	3,204,499	290,220	290,220	290,220	290,220	290,220	Deb Issue 146 (15 Yr)
		Diagnostic Imaging Redesign	62	150,000	60,000	-	60,000					non start
		Inpatient Psychiatry Redevelopment (planning)	62	150,000	60,000	-	60,000					to complete
		HVAC Upgrade	65	600,000	240,000	-	240,000					non start
		MRI equipment and upgrade	67	7,100,000	2,840,000	905,074	55,000	250,340	250,340	250,340	250,340	Long term debt yet to be issued
		Autopsy Suite/Morgue Update - Planning	71	150,000	60,000	-	60,000					non start
		Access Control System Upgrade	71	70,000	28,000	-	28,000					non start
		Medical Device Reprocessing Redesign and Expansion		2,010,000	804,000	-	804,000					new 2019
	SLGH	Construction Phase (25 Years)	38*	-	-	-	458,613	458,613	458,613	458,613	458,613	Deb Issue 112 (25 Yr)
		Geo-thermal Heating & Cooling (10 Years)	43*	-	-	-	81,159	0	0	0	0	Deb Issue 106 (10 Yr)
		Pharmacy Renovation		1,080,000	432,000	-	432,000					new 2019
	PV Manor	Pleasant Valley Manor (20 Years)	32*	-	-	-	286,266	286,266	286,266	286,266	286,266	Deb Issue 106 (20 Yr)
		Water Softener (x2)	71	60,000	24,000	-	24,000					non start
		Repave Parking Lot		60,000	24,000	-	24,000					new 2019
	Noric House	Domestic Hot Water Boiler Upgrade (x2)	71	85,000	34,000	-	34,000					non start
	Parkview	Retaining Wall and Security Fence Replacement		85,000	34,000	-	34,000					new 2019
	Bastion Place	Parking Lot Upgrades	65	85,000	34,000	30,948	3,052					to complete
		Leasehold Improvements-Reno/Expansion/Relocation		600,000	240,000	-	240,000					new 2019
	Shuswap Comm Care											
	PV Health Centre	Staff Duress System		90,000	36,000	-	36,000					new 2019
		Administration Cost					91,500	91,500	91,500	91,500	91,500	
		Debt Reserve Fund expense from Issue of new Debt										
		* Capital Borrowing Bylaw					\$14,887,923	\$6,712,618	\$6,728,618	\$6,745,018	\$6,607,681	

NOC SRHD - 2019 Five Year Financial Plan - Cashflow Worksheet
OPTION 1 - FULL CAPITAL REQUEST FUNDED BY TAXATION

Capital Planning Information	Bylaw	Project Total	NOC SRHD Portion	Previously funded	2019	2020	2021	2022	2023		
Additional Capital Requirements spread next 5 years (estimated) - Equipment - Facility Projects Completion of MRI project Agreements - First Nations Grants in lieu From accumulated cash reserves - prior years' approved projects Proceeds from borrowing - MRI Interest Revenue Tax Requisition						2,000,000	2,050,000	2,101,300	2,153,900		
						1,050,000	1,076,300	1,103,300	1,130,900		
					1,934,926						
					-74,500	-75,245	-75,997	-76,757	-77,525		
			180,074		-18,500	-18,500	-18,500	-18,500	-18,500		
		-	143,000		-2,115,000				0		
			323,074		-1,934,926					\$2,398,260	End of Year Cash Reserve Balance
			14,564,849		-50,000	-50,000	-50,000	-50,000	-50,000		
					\$12,629,923	\$9,618,873	\$9,710,420	\$9,804,360	\$9,746,456		
					\$0.3921	\$0.2986	\$0.3015	\$0.3044	\$0.3026		
% increase over previous year:					62.5%	-23.8%	1.0%	1.0%	-0.6%		
Average Home Value					\$381,737	\$381,737	\$381,737	\$381,737	\$381,737		
Annual Tax Levy on average home					\$149.68	\$113.99	\$115.08	\$116.19	\$115.50		

Assessment Rates Av Residence			Total Tax Collected
Rate	Avg	Tax	
2016 - \$0.2818	\$300,376	\$84.65	7,402,210
2017 - \$0.2741	\$317,500	\$87.03	7,654,838
2018 - \$0.2619	\$350,765	\$91.87	7,771,656
2019 - \$0.3921	\$338,1737	\$149.68	\$12,629,923

NOCSRHD - 2019 Five Year Financial Plan - Cashflow Worksheet
 OPTION 2 - \$3,956,600 FUNDED BY BORROWING; \$2,856,700 FUNDED BY TAXATION

			Bylaw	Project Total	NOC SRHD Portion	Previously funded	2019	2020	2021	2022	2023	
Minor Equipment		Global Grant (estimated for 2020-2023)					623,200	638,800	654,800	671,200	688,000	annual
Capital Equipment	QVH	Video Conferencing Infrastructure Refresh	65	30,000	12,000	8,353	3,647					to complete
		Anaesthetic Unit with Monitor	71	120,000	48,000	47,753	247					to complete
	VJH	Chemistry Analyzer	62	145,000	58,000	-	58,000					non start
		Table, Surgery	62	144,000	57,600	52,825	4,775					to complete
		Medi-stations (VJH/SLGH)	64	80,000	32,000	31,600	400					to complete
		Wireless Infrastructure Expansion	65	20,000	8,000	-	8,000					non start
		Integrated Chemistry/Immunochemistry Analyzer (ac	65	322,000	128,800	-	70,800					non start
		Hematology Analyzer	65	170,000	68,000	-	68,000					non start
		Vocera	71	180,000	72,000	28,027	43,973					to complete
		Wireless Infrastructure Refresh	71	99,000	39,600	30,520	9,080					to complete
		Medstations, IH Wife Pyxis Replacement, Phase 4		2,939,000	1,175,600		35,268	103,627	103,627	103,627	103,627	new 2019 - to be funded from borrowing
		Monitoring System, Physiological		465,000	160,200		160,200					new 2019
		Laser, Holmium		270,000	108,000		108,000					new 2019
		Ortho Templating Software for Surgical Efficiency		74,000	29,600		29,600					new 2019
	SLGH	Sterilizer - Low Temp VHP	65	159,000	63,600	-	63,600					non start
		Electronic Emergency Department Medical Summa	71	220,000	88,000	20,573	67,427					to complete
		Medistation, IH wide Pyxis replacement	71	489,000	195,600	169,963	25,637					to complete
	Gateby/Noric Hous	Resident Bus	71	117,000	46,800		46,800					non start
	Various		71									
		Specialized Surgical Services	65	107,000	42,800	25,282	17,518					to complete
		Telehealth Expansion	65	3,250	13,300	10,713	2,587					to complete
	Regional	Corporate Projects over \$100K	65	684,500	273,800	193,796	80,004					to complete
		Corporate Projects under \$100K	65	346,500	138,600	119,533	19,067					to complete
		IH Wide IMIT	71	3,274,000	1,309,600	438,265	871,335					to complete
		IH Wide IMIT		1,608,000	643,200		643,200					new 2019
		Laboratory Middleware		205,750	82,300		82,300					new 2019
	Bastion Place	Cooler/Freezer, Walk In	65	135,000	54,000	35,421	18,579					to complete
		Resident Bus	65	117,000	46,800	46,300	500					to complete
		Wireless Infrastructure Refresh	71	20,000	8,000		8,000					non start
	Vernon Health	Wireless Infrastructure Expansion	65	40,000	16,000	6,843	9,157					to complete
	Noric House	Wireless Infrastructure Expansion	65	15,000	6,000	-	6,000					non start
Parkview Place												
	PV Manor	Laser, Retinal, Fibre Optic	64	122,000	48,800	-	48,800					non start
	Polson Care Centrn	Vocera Expansion	71	99,000	39,600		39,600					non start
	Salmon Arm Health	Wireless Infrastructure Expansion	71	30,000	12,000		12,000					non start

NOCSRHD - 2019 Five Year Financial Plan - Cashflow Worksheet
OPTION 2 - \$3,956,600 FUNDED BY BORROWING; \$2,856,700 FUNDED BY TAXATION

			Bylaw	Project Total	NOCSRHD Portion	Previously funded	2019	2020	2021	2022	2023	
Capital Projects	QVH	Queen Victoria Hospital (15 years)	27*	-	-	-	130,512	130,512	130,512	130,512	0	Deb Issue 102 (15 Yr)
		Parking lot lighting upgrades	71	90,000	36,000	33,596	2,404					to complete
		Emergency Generator		4,950,000	1,980,000		59,400	174,533	174,533	174,533	174,533	new 2019 - to be funded from borrowing
		Chiller Replacement		823,000	329,200		329,200					new 2019
		Modernize Elevator		280,000	112,000		112,000					new 2019
	VJH	Infrastructure Modifications (10 Years)	44*	-	-	-	172,186	172,186	172,186	172,186	148,561	Deb Issue 124 (10 Yr)
		Construction Phase (25 Years) (1st half)	45*	-	-	-	1,781,726	1,781,726	1,781,726	1,781,726	1,781,726	Deb Issue 106 (25 Yr)
		Construction Phase (25 Years) (2nd half)	45*	-	-	-	2,019,078	2,019,078	2,019,078	2,019,078	2,019,078	Deb Issue 116 (25 Yr)
		Additional Floor (25 Years) (included above)	46*	-	-	-	593,376	593,376	593,376	593,376	593,376	Deb Issue 117 (25 Yr)
		Polson Tower Completion (15 years)	58*	29,563,000	5,525,000	3,204,499	290,220	290,220	290,220	290,220	290,220	Deb Issue 146 (15 Yr)
		Diagnostic Imaging Redesign	62	150,000	60,000	-	60,000					non start
		Inpatient Psychiatry Redevelopment (planning)	62	150,000	60,000	-	60,000					to complete
		HVAC Upgrade	65	600,000	240,000	-	240,000					non start
		MRI equipment and upgrade	67	7,100,000	2,840,000	905,074	55,000	250,340	250,340	250,340	250,340	Long term debt yet to be issued
		Autopsy Suite/Morgue Update - Planning	71	150,000	60,000	-	60,000					non start
		Access Control System Upgrade	71	70,000	28,000	-	28,000					non start
		Medical Device Reprocessing Redesign and Expansion		2,010,000	804,000		24,120	70,871	70,871	70,871	70,871	new 2019 - to be funded from borrowing
	SLGH	Construction Phase (25 Years)	38*	-	-	-	458,613	458,613	458,613	458,613	458,613	Deb Issue 112 (25 Yr)
		Geo-thermal Heating & Cooling (10 Years)	43*	-	-	-	81,159	0	0	0	0	Deb Issue 106 (10 Yr)
		Pharmacy Renovation		1,080,000	432,000		432,000					new 2019
	PV Manor	Pleasant Valley Manor (20 Years)	32*	-	-	-	286,266	286,266	286,266	286,266	286,266	Deb Issue 106 (20 Yr)
		Water Softener (x2)	71	60,000	24,000		24,000					non start
		Repave Parking Lot		60,000	24,000		24,000					new 2019
	Noric House	Domestic Hot Water Boiler Upgrade (x2)	71	85,000	34,000		34,000					non start
	Parkview	Retaining Wall and Security Fence Replacement		85,000	34,000		34,000					new 2019
	Bastion Place	Parking Lot Upgrades	65	85,000	34,000	30,948	3,052					to complete
	Shuswap Comm Care	Leasehold Improvements-Reno/Expansion/Relocation		600,000	240,000		240,000					new 2019
	PV Health Centre	Staff Duress System		90,000	36,000		36,000					new 2019
		Administration Cost					91,500	91,500	91,500	91,500	91,500	
		Debt Reserve Fund expense from Issue of new Debt										
	* Capital Borrowing Bylaw						\$11,047,111	\$7,061,649	\$7,077,649	\$7,094,049	\$6,956,712	

NOC SRHD - 2019 Five Year Financial Plan - Cashflow Worksheet
OPTION 2 - \$3,956,600 FUNDED BY BORROWING; \$2,856,700 FUNDED BY TAXATION

Capital Planning Information	Bylaw	Project Total	NOC SRHD Portion	Previously funded	2019	2020	2021	2022	2023		
		Additional Capital Requirements spread next 5 years (estimated)									
		- Equipment				2,000,000	2,050,000	2,101,300	2,153,900		
		- Facility Projects				1,050,000	1,076,300	1,103,300	1,130,900		
		Completion of MRI project			1,934,926						
		Completion of new long term projects			3,959,600						
		Agreements - First Nations			-74,500	-75,245	-75,997	-76,757	-77,525		
		Grants in lieu			-18,500	-18,500	-18,500	-18,500	-18,500		
		From accumulated cash reserves - prior years' approved projects			-2,115,000				0	\$2,306,607	End of Year Cash Reserve Balance
		Proceeds from borrowing - MRI			-1,934,926						
		Proceeds from borrowing - new long term projects			-3,959,600						
		Interest Revenue			-50,000	-50,000	-50,000	-50,000	-50,000		
		Tax Requisition			\$8,789,111	\$9,967,904	\$10,069,451	\$10,153,391	\$10,095,487		
					\$0.2729	\$0.3094	\$0.3123	\$0.3152	\$0.3134		
		% increase over previous year:			13.1%	13.4%	0.9%	0.9%	-0.6%		
		Average Home Value			\$381,737	\$381,737	\$381,737	\$381,737	\$381,737		
		Annual Tax Levy on average home			\$104.16	\$118.13	\$119.21	\$120.33	\$119.64		

Assessment Rates Av Residence			Total Tax Collected
Rate	Avg	Tax	
2016 - \$0.2818	\$300,376	\$84.65	7,402,210
2017 - \$0.2741	\$317,500	\$87.03	7,654,838
2018 - \$0.2619	\$350,765	\$91.87	7,771,656
2019 - \$0.2729	\$338,737	\$104.16	\$8,789,111

NOCSRHD - 2019 Five Year Financial Plan - Cashflow Worksheet

OPTION 3 - SAME AS OPTION 2 PLUS \$650,000 CASH RESERVES USED

		Bylaw	Project Total	NOCSRHD Portion	Previously funded	2019	2020	2021	2022	2023	
Minor Equipment	Global Grant (estimated for 2020-2023)					623,200	638,800	654,800	671,200	688,000	annual
Capital Equipment	QVH										
	Video Conferencing Infrastructure Refresh	65	30,000	12,000	8,353	3,647					to complete
	Anaesthetic Unit with Monitor	71	120,000	48,000	47,753	247					to complete
	VJH										
	Chemistry Analyzer	62	145,000	58,000	-	58,000					non start
	Table, Surgery	62	144,000	57,600	52,825	4,775					to complete
	Medi-stations (VJH/SLGH)	64	80,000	32,000	31,600	400					to complete
	Wireless Infrastructure Expansion	65	20,000	8,000	-	8,000					non start
	Integrated Chemistry/Immunochemistry Analyzer (a	65	322,000	128,800	-	70,800					non start
	Hematology Analyzer	65	170,000	68,000	-	68,000					non start
	Vocera	71	180,000	72,000	28,027	43,973					to complete
	Wireless Infrastructure Refresh	71	99,000	39,600	30,520	9,080					to complete
	Medstations, IH Wife Pyxis Replacement, Phase 4		2,939,000	1,175,600		35,268	103,627	103,627	103,627	103,627	new 2019 - to be funded from borrowing
	Monitoring System, Physiological		465,000	160,200		160,200					new 2019
	Laser, Holmium		270,000	108,000		108,000					new 2019
	Ortho Templating Software for Surgical Efficiency		74,000	29,600		29,600					new 2019
	SLGH										
	Sterilizer - Low Temp VHP	65	159,000	63,600	-	63,600					non start
	Electronic Emergency Department Medical Summa	71	220,000	88,000	20,573	67,427					to complete
	Medistation, IH wide Pyxis replacement	71	489,000	195,600	169,963	25,637					to complete
	Gateby/Noric Hous Resident Bus	71	117,000	46,800		46,800					non start
	Various	71									
	Specialized Surgical Services	65	107,000	42,800	25,282	17,518					to complete
	Telehealth Expansion	65	3,250	13,300	10,713	2,587					to complete
	Regional										
	Corporate Projects over \$100K	65	684,500	273,800	193,796	80,004					to complete
	Corporate Projects under \$100K	65	346,500	138,600	119,533	19,067					to complete
	IH Wide IMIT	71	3,274,000	1,309,600	438,265	871,335					to complete
	IH Wide IMIT		1,608,000	643,200		643,200					new 2019
	Laboratory Middleware		205,750	82,300		82,300					new 2019
	Bastion Place										
	Cooler/Freezer, Walk In	65	135,000	54,000	35,421	18,579					to complete
	Resident Bus	65	117,000	46,800	46,300	500					to complete
	Wireless Infrastructure Refresh	71	20,000	8,000		8,000					non start
	Vernon Health										
	Wireless Infrastructure Expansion	65	40,000	16,000	6,843	9,157					to complete
	Noric House										
	Wireless Infrastructure Expansion	65	15,000	6,000	-	6,000					non start
	Parkview Place										
	PV Manor										
	Laser, Retinal, Fibre Optic	64	122,000	48,800	-	48,800					non start
	Polson Care Centr Vocera Expansion	71	99,000	39,600		39,600					non start
	Salmon Arm Health Wireless Infrastructure Expansion	71	30,000	12,000		12,000					non start

Capital Projects	QVH	Queen Victoria Hospital (15 years)	27*	-	-	-	130,512	130,512	130,512	130,512	0	Deb Issue 102 (15 Yr)
		Parking lot lighting upgrades	71	90,000	36,000	33,596	2,404					to complete
		Emergency Generator		4,950,000	1,980,000		59,400	174,533	174,533	174,533	174,533	new 2019 - to be funded from borrowing
		Chiller Replacement		823,000	329,200		329,200					new 2019
		Modernize Elevator		280,000	112,000		112,000					new 2019
	VJH	Infrastructure Modifications (10 Years)	44*	-	-		172,186	172,186	172,186	172,186	148,561	Deb Issue 124 (10 Yr)
		Construction Phase (25 Years) (1st half)	45*	-	-		1,781,726	1,781,726	1,781,726	1,781,726	1,781,726	Deb Issue 106 (25 Yr)
		Construction Phase (25 Years) (2nd half)	45*	-	-		2,019,078	2,019,078	2,019,078	2,019,078	2,019,078	Deb Issue 116 (25 Yr)
		Additional Floor (25 Years) (included above)	46*	-	-		593,376	593,376	593,376	593,376	593,376	Deb Issue 117 (25 Yr)
		Polson Tower Completion (15 years)	58*	29,563,000	5,525,000	3,204,499	290,220	290,220	290,220	290,220	290,220	Deb Issue 146 (15 Yr)
		Diagnostic Imaging Redesign	62	150,000	60,000	-	60,000					non start
		Inpatient Psychiatry Redevelopment (planning)	62	150,000	60,000	-	60,000					to complete
		HVAC Upgrade	65	600,000	240,000	-	240,000					non start
		MRI equipment and upgrade	67	7,100,000	2,840,000	905,074	55,000	250,340	250,340	250,340	250,340	Long term debt yet to be issued
		Autopsy Suite/Morgue Update - Planning	71	150,000	60,000		60,000					non start
		Access Control System Upgrade	71	70,000	28,000		28,000					non start
		Medical Device Reprocessing Redesign and Expansion		2,010,000	804,000		24,120	70,871	70,871	70,871	70,871	new 2019 - to be funded from borrowing
	SLGH	Construction Phase (25 Years)	38*	-	-		458,613	458,613	458,613	458,613	458,613	Deb Issue 112 (25 Yr)
		Geo-thermal Heating & Cooling (10 Years)	43*	-	-		81,159	0	0	0	0	Deb Issue 106 (10 Yr)
		Pharmacy Renovation		1,080,000	432,000		432,000					new 2019
	PV Manor	Pleasant Valley Manor (20 Years)	32*	-	-		286,266	286,266	286,266	286,266	286,266	Deb Issue 106 (20 Yr)
		Water Softener (x2)	71	60,000	24,000		24,000					non start
		Repave Parking Lot		60,000	24,000		24,000					new 2019
	Noric House	Domestic Hot Water Boiler Upgrade (x2)	71	85,000	34,000		34,000					non start
	Parkview	Retaining Wall and Security Fence Replacement		85,000	34,000		34,000					new 2019
	Bastion Place	Parking Lot Upgrades	65	85,000	34,000	30,948	3,052					to complete
	Shuswap Comm Care	Leasehold Improvements-Reno/Expansion/Relocation		600,000	240,000		240,000					new 2019
	PV Health Centre	Staff Duress System		90,000	36,000		36,000					new 2019
		Administration Cost					91,500	91,500	91,500	91,500	91,500	
		Debt Reserve Fund expense from Issue of new Debt										
		* Capital Borrowing Bylaw					\$11,047,111	\$7,061,649	\$7,077,649	\$7,094,049	\$6,956,712	

Capital Planning Information

Additional Capital Requirements spread next 5 years (estimated)
- Equipment
- Facility Projects

Completion of MRI project
Completion of new long term projects
Agreements - First Nations
Grants in lieu
From accumulated cash reserves - prior years' approved projects
From accumulated cash reserves - current year approved projects
Proceeds from borrowing - MRI
Proceeds from borrowing - new long term projects
Interest Revenue
Tax Requisition

2,000,000	2,050,000	2,101,300	2,153,900
1,050,000	1,076,300	1,103,300	1,130,900

1,934,926				
3,959,600				
-74,500	-75,245	-75,997	-76,757	-77,525
-18,500	-18,500	-18,500	-18,500	-18,500
-2,115,000				0
-650,000	-1,300,000	-350,000		
-1,934,926				
-3,959,600				
-50,000	-50,000	-50,000	-50,000	-50,000
\$8,139,111	\$8,667,904	\$9,709,451	\$10,153,391	\$10,095,487

\$6,607	End of Year Cash Reserve Balance
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% increase over previous year:

\$0.2527	\$0.2691	\$0.3014	\$0.3152	\$0.3134
4.7%	6.5%	12.0%	4.6%	-0.6%

Average Home Value
Annual Tax Levy on average home

\$381,737	\$381,737	\$381,737	\$381,737	\$381,737
\$96.46	\$102.72	\$115.07	\$120.33	\$119.64

Assessment Rates Av Residence			Total Tax
Rate	Avg	Tax	Collected
2016 - \$0.2818	\$300,376	\$84.65	7,402,210
2017 - \$0.2741	\$317,500	\$87.03	7,654,838
2018 - \$0.2619	\$350,765	\$91.87	7,771,656
2019 - \$0.2527	\$338,1737	\$96.46	\$8,139,111

NOCSRHD BOARD REPORT

TO: Chair and Directors

File No: 8900 42

SUBJECT: 2018 NOCSRHD Financial Update

DESCRIPTION: Report from Jodi Pierce, Manager, Financial Services, dated January 31, 2019. For information only.

SHORT SUMMARY:

Attached is a statement of Year-To-Date Financial Summary of Revenues over Expenses to show the financial status of the Hospital District.

POLICY:

A Provisional Budget was adopted on March 27, 2018 by way of adopting the Five Year Financial Plan. The attached statement is to provide Directors with a financial summary for the year to date revenue and expenses. This information will be included in the year end Financial Statements and any changes to the budgets for the years 2019 to 2022 will be reviewed later in this meeting and then presented to the Board in March 2019 for adoption as part of the Five Year Financial Plan Bylaw. Changes to the Budget are based on Capital Acquisition requests from IHA and other additional information available closer to that date, including the current tax rates based on the 2019 Completed Assessment Roll.

FINANCIAL:

The financial summary is produced in the same format as the Five Year Financial Plan with an additional column entitled 2018 Projected. All of the revenue for 2018 has been received, other than the actuarial adjustment, which is booked at year end based upon information received from the Municipal Finance Authority. The projected expenses for projects and equipment is based upon the IHA Capital Project and Planning Status report which indicates the status of large projects. A number of projects will remain incomplete at year end due to the magnitude of the projects and the differing year end dates.

KEY ISSUES/CONCEPTS:

To provide the Board with the financial update.

[Board Report](#)[Enter Subject](#)[Click here to enter a date.](#)**Report Approval Details**

Document Title:	2019-02-05_NOCSRHD Financial Update.docx
Attachments:	- 2018 Five Year Financial Plan Update.pdf
Final Approval Date:	Feb 1, 2019

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Lynda Shykora was completed by assistant Jennifer Sham

Lynda Shykora - Feb 1, 2019 - 9:45 AM

A handwritten signature in black ink, appearing to read 'C. Hamilton', with a stylized flourish at the end.

Charles Hamilton - Feb 1, 2019 - 10:26 AM

**NORTH OKANAGAN COLUMBIA SHUSWAP REGIONAL HOSPITAL DISTRICT
2018 FIVE YEAR FINANCIAL PLAN BYLAW NUMBER 70
SCHEDULE A**

	2018 Actual YTD	2018 Projected	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
REVENUES:							
Tax Requisition:	\$ 7,771,656	\$ 7,771,656	\$ 7,771,656	\$ 8,074,039	\$ 8,412,338	\$ 8,733,588	\$ 9,156,531
Other:							
Payment in lieu of taxes	22,183	22,180	18,500	18,500	18,500	18,500	18,500
Interest	76,233	76,233	35,000	35,000	35,000	35,000	35,000
Actuarial adjustment	-	680,362	680,362	795,385	888,953	1,010,150	1,136,194
Service agreements - Indian Bands	74,219	74,219	73,500	74,235	74,977	75,727	76,484
Debenture surplus & debt reserve refund							
	7,944,291	8,624,650	8,579,018	8,997,159	9,429,768	9,872,965	10,422,709
EXPENDITURES							
Expenses:							
Administration	82,832	82,832	91,500	91,500	91,500	91,500	91,500
Debenture debt - interest (existing)	3,293,523	3,327,700	3,327,700	3,327,700	3,300,797	3,300,797	3,300,797
Debenture debt - interest (new)	-	-	-	283,058	283,058	283,058	283,058
Interim Borrowing MFA - Interest	59,197	59,000	114,875	-	-	-	-
Expenditures under Section 20(2)							
Global Grant	617,200	617,200	617,200	632,700	648,600	664,900	681,600
Capital Equipment - new requests	735,103	1,771,200	1,771,200	1,050,000	1,076,300	1,103,300	1,130,900
Capital Projects - new requests	33,596	270,000	270,000	1,117,300	1,145,300	1,174,000	1,203,400
Capital Equip/Projects - carried forward from prior year	892,401	3,606,959	6,160,665	-	-	-	-
	5,713,852	9,734,891	12,353,140	6,502,258	6,545,555	6,617,555	6,691,255
ANNUAL SURPLUS (DEFICIT)	\$ 2,230,439	\$ (1,110,241)	\$ (3,774,122)	\$ 2,494,901	\$ 2,884,213	\$ 3,255,410	\$ 3,731,454
(for financial reporting purposes - PSAB)							
Plus:							
Transfer from/(to) reserves	-	635,819	1,750,000	950,000	600,000	350,000	-
Proceeds from issue of debt	3,350,000	3,350,000	4,899,700	-	-	-	-
Less:							
Debenture debt - Principal payments (existing debt)	(2,195,216)	(2,195,216)	(2,195,216)	(2,195,216)	(2,140,960)	(2,140,960)	(2,140,960)
Debenture debt - Principal payments (new debt)	-	-	-	(454,300)	(454,300)	(454,300)	(454,300)
Actuarial Adjustment	-	(680,362)	(680,362)	(795,385)	(888,953)	(1,010,150)	(1,136,194)
FINANCIAL PLAN BALANCE	\$ 3,385,222	\$ (0)	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ 0