

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

Date: Tuesday, January 23, 2024  
Time: 10:00 AM  
Location: CSRD Boardroom  
555 Harbourfront Drive NE, Salmon Arm

Pages

## 1. Land Acknowledgement

We acknowledge that we are meeting in service to the Columbia Shuswap Regional District which is on the traditional and unceded territories of the Secwepemc, Syilx Okanagan, Sinixt and Ktunaxa Nation. We are privileged and grateful to be able to live, work and play in this beautiful area.

Declaration on the Rights of Indigenous Peoples Act  
Article 32:

1. Indigenous peoples have the right to determine and develop priorities and strategies for the development or use of their lands or territories and other resources.

2. States shall consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.

3. States shall provide effective mechanisms for just and fair redress for any such activities, and appropriate measures shall be taken to mitigate adverse environmental, economic, social, cultural or spiritual impact.

## 2. Election of Chair and Vice-Chair

2.1 Election of Chair

2.2 Election of Vice Chair

2.3 Chair's Remarks

## 3. Call to Order

#### 4. Adoption of Agenda

##### Motion

THAT: the North Okanagan Columbia Shuswap Regional Hospital District Board meeting agenda be adopted.

#### 5. Minutes

##### 5.1 Adoption of Minutes 1

##### Motion

THAT: the minutes attached to the North Okanagan Columbia Shuswap Regional Hospital District Board meeting agenda be adopted.

##### 5.2 Business Arising from the Minutes

#### 6. Closed

##### Motion

THAT: pursuant to Section 90(2) of the Community Charter, the subject matter being considered relates to one or more of the following:

(b) the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party;

AND THAT: the Board close this portion of the meeting to the public and move to into the Closed Session of the meeting.

#### 7. Delegations

##### 7.1 Interior Health Authority 6

Dan Goughnour, Corporate Director, Business Operations and Chris Simms, Executive Director, Clinical Operations North Okanagan to present.

#### 8. Correspondence

##### Motion

THAT: the North Okanagan Columbia Shuswap Regional Hospital District Board receive the correspondence attached to the agenda.

##### 8.1 Support for Warming and Cooling Centres (November 16, 2023) 25

Letter from CSRD Board Chair requesting Provincial support for warming and cooling centres during extreme temperature events.

8.2 BDO Audit Planning Report for Year Ending December 31, 2023 26

8.3 Capital Funding Request for 2024/2025 (December 7, 2023) 76

9. Reports

9.1 2024 Five Year Financial Plan 81

Report from Jodi Pierce, General Manager, Financial Services, dated January 18, 2024. For information and consideration.

**Motion**

THAT: the Board approve a 2.0% tax increase for the 2024 tax year.

9.2 Request to pursue designated Health Facility status under the Hospital District Act 109

Report from Jodi Pierce, General Manager, Financial Services, dated January 18, 2024.

**Motion**

THAT: the North Okanagan Columbia Shuswap Regional Hospital District request the Interior Health Authority (IHA) to pursue the designation of “health facility” for all IHA owned and operated Urgent and Primary Care Centres within the North Okanagan Columbia Shuswap Regional Hospital District for the purposes of the Hospital District Act.

*Corporate Vote Unweighted Majority*

**Motion**

THAT: the North Okanagan Columbia Shuswap Regional Hospital District approve funding in principle to the Primary Care Project in accordance with the funding request later dated December 8, 2023 subject to the Primary Care Centre qualifying as a designated facility pursuant to the Hospital District Act.

*Corporate Vote Unweighted Majority*

10. Bylaws

None.

11. Date of Next Meeting

Thursday, March 28, 2024, 10 AM

RDNO Boardroom, 9848 Aberdeen Rd, Coldstream, BC

12. Adjournment

**Motion**

THAT: the North Okanagan Columbia Shuswap Regional Hospital District Board meeting 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: November 21, 2023  
 Time: 10:00 AM  
 Location: CSRD Boardroom  
 555 Harbourfront Drive NE, Salmon Arm

Directors Present	D. Brooks-Hill^	Area B, CSRD
	M. Gibbons^	Area C, CSRD
	D. Trumbley*^	Area D, CSRD
	R. Martin (Vice Chair)	Area E, CSRD
	N. Melnychuk^	Area G, CSRD
	T. Staphenhurst^	Alternate Director Revelstoke, CSRD
	C. Anderson^	Sicamous, CSRD
	D. Cannon	Alternate Director Salmon Arm, CSRD
	T. Lavery^	Salmon Arm, CSRD
	B. Fleming^	Area B, RDNO
	A. Shatzko^	Area C, RDNO
	R. Fairbairn	Area D, RDNO
	A. Hopkins	Area F, RDNO
	S. Fowler	Armstrong, RDNO
	R. Hoyte^	Coldstream, RDNO
	B. Schreiner^	Enderby, RDNO
	K. Acton (Chair)	Lumby, RDNO
	C. Fraser^	Spallumcheen, RDNO
	V. Cumming^	Vernon, RDNO
	K. Fehr^	Vernon, RDNO
	K. Gares^	Vernon, RDNO
Directors Absent	J. Johnson	Area E, RDNO
	A. Mund	Vernon, RDNO
	B. Quiring	Vernon, RDNO
	G. Sulz	Revelstoke, CSRD

Staff	J. MacLean	Chief Administrative Officer
	J. Sham	General Manager, Corporate Services (Corporate Officer)
	J. Freund	Legislative Clerk
	S. Haines	Manager, Financial Services (Deputy Finance Officer)

\*attended a portion of the meeting only

^electronic participation

## 1. Land Acknowledgement

We acknowledge that we are meeting in service to the Columbia Shuswap Regional District which is on the traditional and unceded territories of the Secwepemc, Syilx Okanagan, Sinixt and Ktunaxa Nation. We are privileged and grateful to be able to live, work and play in this beautiful area.

Declaration on the Rights of Indigenous Peoples Act

Article 25: Indigenous peoples have the right to maintain and strengthen their distinctive spiritual relationship with their traditionally owned or otherwise occupied and used lands, territories, waters and coastal seas and other resources and to uphold their responsibilities to future generations in this regard.

## 2. Call to Order

The Chair called the meeting to order at 10:05 AM.

## 3. Adoption of Agenda

**HD2023-1101**

**Moved By** Director Hopkins

**Seconded By** Director Fowler

THAT: the agenda for the North Okanagan Columbia Shuswap Regional Hospital District Board meeting be adopted.

**CARRIED**

## 4. Minutes

### 4.1 Adoption of Minutes

**HD2023-1102**

**Moved By** Director Hoyte

**Seconded By** Director Fairbairn

THAT: the March 21, 2023 minutes of the North Okanagan Columbia Shuswap Regional Hospital District Board be adopted.

**CARRIED**

#### **4.2 Business Arising from the Minutes**

None.

#### **5. Delegations**

None.

#### **6. Correspondence**

##### **HD2023-1103**

**Moved By** Director Hopkins

**Seconded By** Director Fehr

THAT: the Board receive the correspondence attached to the November 21, 2023 North Okanagan Columbia Shuswap Regional Hospital District Board meeting agenda.

**CARRIED**

Director Trumbley joined the meeting at 10:15 AM.

#### **6.1 Shuswap Lake General Hospital (November 2, 2023)**

Letter from CSRD Board Chair supporting Shuswap Lake General Hospital upgrade planning and funding.

Directors Lavery and Melnychuk provided additional information on the history and context of Shuswap Lake General Hospital funding shortfalls.

Chris Simms, Executive Director, Clinical Operations, Interior Health (IH) spoke to the status of the Operating Room (OR) in terms of capital budget process. A site utilization study is being conducted and OR planning work has commenced with clinicians and physicians. The High Acuity Unit will be addressed next and IH is working through the capital planning process with the project expected to be approved next fiscal year.

#### **6.2 Request for Provincial Support for Warming and Cooling Centres During Extreme Temperature Events (November 16, 2023)**

Letter from CSRD Board Chair requesting Provincial support for warming and cooling centres during extreme temperature events.

Letter was not included on agenda package and will be added to the January 23, 2024 NOCSRHD agenda.

## 7. Reports

### 7.1 Draft Memorandum of Understanding

Dan Goughnour, Corporate Director, Business Operations South, Interior Health and Chris Simms, Executive Director, Clinical Operations, Interior Health presented the draft Memorandum of Understanding.

#### **HD2023-1104**

**Moved By** Director Martin

**Seconded By** Director Hopkins

THAT: the NOCSRHD Board empower the authorized signatories to sign the Memorandum of Understanding as amended between Interior Health and North Okanagan Columbia Shuswap Regional Hospital District.

AND THAT: a correction to Item 'l' in the Memorandum of Understanding between Interior Health and North Okanagan Columbia Shuswap Regional Health District be made to state major projects status will be reported semi-annually.

AND THAT: parentheses be added to Ministry of Health in Item 'h'.

**CARRIED**

#### **HD2023-1105**

**Moved By** Director Lavery

**Seconded By** Director Fraser

THAT: the NOCSRHD Board recommend Interior Health incorporate an asset management plan relative to the capital budget process.

#### Discussion on Motion:

The Board discussed reviewing the MOU in two years and then every four years, coinciding with the mid-term of elected officials' four-year cycle.

Director Cumming emphasized, with reference to MOU Item 'h', that any major project should be brought forward early in the process to Regional Health Districts (RHD) with as much information as possible, prior to proceeding formally. Mr. Goughnour confirmed there is implied intent in the MOU to prevent errors with sharing of information and all major projects will be brought to the RHD prior to officially moving forward. Mr.

Goughnour also noted semi-annual reporting will replace the term bi-annual reporting in Item 'I' of the final MOU.

Mr. Goughnour noted Interior Health (IH) is going through modernization in capital & asset management and there is a need for more resources to complete capital and asset management at IH. IH staff will report back to the Board at the January 2024 meeting with an update.

**CARRIED**

**8. Bylaws**

None.

**9. Date of Next Meeting**

January 23, 2024

CSRD Boardroom

555 Harbourfront Drive NE, Salmon Arm

**10. Adjournment**

**HD2023-1106**

**Moved By** Director Hopkins

**Seconded By** Director Fairbairn

THAT: the North Okanagan Columbia Shuswap Regional Hospital District Board meeting be adjourned.

**CARRIED**

10:45 AM

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CORPORATE OFFICER

CHAIR

# Interior Health Current Projects Update & 2024/25 Capital Funding Request

Presentation to the North Okanagan Columbia Shuswap  
Regional Hospital District

January 23, 2024

Dan Goughnour, Corporate Director Business Operations

Chris Simms, Executive Director Clinical Operations, North Okanagan

# Current Projects Update: *Project Delays*

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- Expected timelines vs. unexpected delays
- Supply chain shortages for equipment and building materials
- Significant cost escalation requiring mediation and/or funding increase approvals
- Internal project management capacity limitations
- Market capacity limitations
- Unplanned priority initiatives



# Current Projects Update: Vernon

Site	Project	Fiscal Year Request	Total Budget	NOCSRHD Contribution	On Time	On Budget	Estimated Completion Date	Comments
Vernon Jubilee Hospital	Electrical Infrastructure Upgrade - Phase 1	2021/22	\$3,500,000	\$1,400,000			December 2025	<ul style="list-style-type: none"> <li>•Project has seen delays in part due to the scale and complexity of this multi-phase project with Phase 1 planning being particularly important to setup the larger project for success</li> <li>•Have also seen turnover in project managers, which have caused some delays</li> <li>•No concerns raised about budget pressures and updated estimated completion is now December 2025</li> </ul>
Vernon Long-term Care	Long-term Care Facility Business Plan	2021/22	\$400,000	\$160,000			January 2025	<ul style="list-style-type: none"> <li>•Work on the Vernon LTC facility business plan has been paused as IH seeks further direction from the MoH on their support for next round of LTC facility replacements</li> <li>•IH reconfirming prioritization of LTC sites with refreshed bed planning and site risk assessment data</li> </ul>
Vernon Jubilee Hospital	Meal Delivery System	2021/22	\$1,430,000	\$572,000			April 2024	<ul style="list-style-type: none"> <li>•All major equipment has been ordered and installed with exception of pot washer, which should be done in early 2024</li> <li>•The capital project team continues to monitor and address deficiencies as they arise post-implementation</li> <li>•Anticipate full completion by this coming April</li> </ul>
Vernon Jubilee Hospital	Autopsy Suite Upgrade	2022/23	\$5,500,000	\$2,200,000			April 2026	<ul style="list-style-type: none"> <li>•Project has seen some delays due to the reassessment of the project requirements and the consideration of an expanded scope to fully meet the needs of the autopsy suite and overall morgue at VJH</li> <li>•It was determined that the project will take a phased approach, with the next phase to be considered in a future budget year with a separate funding ask</li> <li>•Anticipating completion in April of 2026</li> </ul>





# Current Projects Update: *Vernon*

Site	Project	Fiscal Year Request	Total Budget	NOCSRHD Contribution	On Time	On Budget	Estimated Completion Date	Comments
Gateby Care Centre	Boiler Upgrade	2023/24	\$767,000	\$306,800			April 2024	<ul style="list-style-type: none"> <li>•Project has seen delays due to additional time needed for asbestos abatement</li> <li>•The new boiler has been received and the concrete pad for the boiler has been laid</li> <li>•Anticipate project completion in April 2024</li> </ul>
Noric House	Elevator Upgrade	2023/24	\$338,500	\$135,400			February 2025	<ul style="list-style-type: none"> <li>•The design RFP is now out for tender</li> <li>•Tracking to be on time and on budget</li> </ul>
Vernon Jubilee Hospital	Cooler & Freezer Upgrades	2023/24	\$1,479,000	\$591,600			April 2024	<ul style="list-style-type: none"> <li>• Project in temporarily on hold until a new project manager can be formally assigned from the capital projects team</li> <li>•Expect work to resume shortly with estimated completion in April of this year</li> </ul>
Vernon Jubilee Hospital	Inpatient Psychiatry Business Plan	2023/24	\$800,000	\$320,000			February 2025	<ul style="list-style-type: none"> <li>•Formal work has not yet begun on the business plan</li> <li>•IH continues to work with the MoH on advancing this forward</li> <li>•The IH capital planning team is prepared to move quickly upon receipt of MoH approval</li> </ul>
Vernon Jubilee Hospital	Secure Room Safety Upgrade	2023/24	\$518,000	\$207,200			June 2024	<ul style="list-style-type: none"> <li>• Project in temporarily on hold until a new project manager can be formally assigned from the capital projects team</li> <li>•Expect work to resume shortly with estimated completion in June of this year</li> </ul>
Vernon Jubilee Hospital	Hot Water Tank	2023/24	\$236,250	\$94,500			March 2024	<ul style="list-style-type: none"> <li>•The mechanical contractor has been engaged to begin install shortly</li> <li>•Project is tracking on budget with current contingency being considered to support an upgrade to the domestic water loop</li> <li>•Anticipated completion is March 2024</li> </ul>
Vernon Jubilee Hospital	Equipment Management System	2023/24	\$2,182,613	\$777,100			February 2025	<ul style="list-style-type: none"> <li>•Project has only just begun</li> <li>•Vendor quotes for equipment are expected in the coming weeks</li> <li>•Estimated completion is February 2025</li> </ul>
Vernon Jubilee Hospital	Cart Washer	2023/24	\$340,000	\$136,000			August 2024	<ul style="list-style-type: none"> <li>•Vendor quotes for equipment are being reviewed</li> <li>•Estimated completion is August of this year</li> </ul>



# Current Projects Update: *Armstrong/Enderby*

Site	Project	Fiscal Year Request	Total Budget	NOCSRHD Contribution	On Time	On Budget	Estimated Completion Date	Comments
Pleasant Valley Manor	Generator & Switchgear Replacement	2021/22	\$950,000	\$380,000	Yellow	Red	May 2024	<ul style="list-style-type: none"> <li>•Due to updated regulatory requirements, an equipment upgrade was needed to meet new load testing standards</li> <li>•The upgrade has resulted in a cost pressure for the project</li> <li>•Equipment delivery expected in March with project completion in May</li> <li>•Additional funding request included in 24/25 letter for RHD Board consideration</li> </ul>
Granville Building (Enderby)	Adult Day Service Bus	2022/23	\$148,118	\$49,200	Yellow	Green	June 2024	<ul style="list-style-type: none"> <li>•Procurement for the bus saw some delays due to consultation needed to ensure correct options were selected</li> <li>•Anticipating the bus to be purchased and in service by June of this year</li> </ul>
Pleasant Valley Manor	Chiller and Cooling Tower Replacement	2023/24	\$1,096,000	\$438,400	Green	Yellow	November 2024	<ul style="list-style-type: none"> <li>•Design work has begun with class D cost estimate expected shortly</li> <li>•A potential scope risk has been identified whereby the site has indicated that an air-cooled chiller is needed vs. water cooled, which is the current model. This will need to be evaluated for potential cost impact.</li> </ul>
Parkview Place	Chiller Replacement	2023/24	\$500,000	\$200,000	Green	Green	November 2024	<ul style="list-style-type: none"> <li>•Design work has begun with class D cost estimate expected shortly</li> <li>•Scope is being review as full replacement may not be required given age of the chiller. Other options may support improved sustainability with lower cost solution</li> </ul>



# Current Projects Update: *Salmon Arm*

Site	Project	Fiscal Year Request	Total Budget	NOCSRHD Contribution	On Time	On Budget	Estimated Completion Date	Comments
Shuswap Lake General Hospital	Pharmacy Renovation	2019/20	\$2,823,000	\$1,012,000			January 2024	<ul style="list-style-type: none"> <li>•Project is now substantially complete</li> <li>•The Pharmacy is fully operational and within the NAPRA requirement</li> <li>•Mechanical issues persist and have been identified as deficiencies that have yet to be fully addressed</li> </ul>
Salmon Arm Community	Community Services Leasehold Improvements Phase 1	2019/20	\$1,590,000	\$636,000			December 2023	<ul style="list-style-type: none"> <li>•This project is now complete (outpatient laboratory) and is open to the public</li> </ul>
Salmon Arm Community	Community Services Leasehold Improvements Phase 2	2021/22	\$3,456,000	\$1,240,000			July 2024	<ul style="list-style-type: none"> <li>•Project is well underway with construction in progress moving towards interior and exterior finishing</li> <li>•Expected project completion in July of this year</li> </ul>
Shuswap Lake General Hospital	Surgical Services Planning	2022/23	\$1,000,000	\$400,000			January 2025	<ul style="list-style-type: none"> <li>•Business plan work is underway for the renovation and redevelopment of three operating rooms</li> <li>•IH is targeting the fall of 2024 to have the business plan complete and submitted to the MoH. Details will be shared with the RHD as soon as the plan is finalized</li> </ul>
Shuswap Lake General Hospital	Hot Water Loop Upgrade	2023/24	\$460,250	\$184,100			March 2024	<ul style="list-style-type: none"> <li>•Project is nearly complete. Work was finished in the fall of 2023, but the capital project team wanted to monitor the changes that were implemented over the winter months to ensure the upgrade was successful</li> </ul>
Shuswap Lake General Hospital	Medstations - Additional	2023/24	\$198,000	\$79,200			August 2024	<ul style="list-style-type: none"> <li>•Procurement for equipment is underway and expected to be received and in use by the summer of this year</li> </ul>
Shuswap Lake General Hospital	Steam Sterilizer	2023/24	\$192,000	\$76,800			August 2024	<ul style="list-style-type: none"> <li>•Mechanical and electrical elements for the replacement were confirmed by consultants and determined to be within budget</li> <li>•Procurement for equipment is underway and expected to be received and in use by the summer of this year</li> </ul>



# Current Projects Update: *Revelstoke*

Site	Project	Fiscal Year Request	Total Budget	NOCSRHD Contribution	On Time	On Budget	Estimated Completion Date	Comments
Queen Victoria Hospital	Chiller Replacement	2023/24	\$1,074,000	\$429,600			November 2024	<ul style="list-style-type: none"> <li>•Design work is underway with drawings expected to be complete in early 2024 to allow for the issue for tender</li> <li>•Equipment has a substantial lead time, but anticipating project completion for November 2024</li> </ul>
Queen Victoria Hospital	Operating Room Lights	2023/24	\$859,000	\$343,600			June 2024	<ul style="list-style-type: none"> <li>•Original intent for the OR lights replacement was to be plug and play, but it was determined that the gas scavenging system as well as structural and electrical systems may need design in conjunction with the install. Could result in some delay</li> <li>•No concerns on budget pressure at this point</li> <li>•Estimated project completion is the summer of this year</li> </ul>



# IH-Wide Digital Health

- Annual funding request includes a bundle of individual Digital Health projects
- Each individual project has different timelines for completion
- IH will invoice the RHD as individual projects close, but it can mean the bundled project and funding bylaw can sit open for extended periods of time



# IH-Wide Digital Health

Site	Project	Fiscal Year	Total Budget	NOCSRHD Contribution	On Time	On Budget	Estimated Completion Date	Comments
Regional	IH-Wide IMIT Investments	2018/19	\$3,274,000	\$1,309,600			Complete	<ul style="list-style-type: none"> <li>All projects in the 2018/19 IMIT bundle are now closed</li> <li>Anticipate final billing before end of this fiscal year</li> </ul>
Regional	IH-Wide IMIT Investments	2019/20	\$1,608,000	\$643,200			October 2024	<ul style="list-style-type: none"> <li>14 out of the 20 projects that make-up this bundle are closed</li> <li>Expect remaining 6 to be complete within 2024</li> </ul>
Regional	IH-Wide IMIT Investments	2020/21	\$1,615,250	\$646,100			March 2025	<ul style="list-style-type: none"> <li>17 out of the 23 projects that make-up this bundle are closed</li> <li>Expect remaining 6 to be completed before the end of fiscal 2024/25</li> </ul>
Regional	IH-Wide IMIT Investments	2021/22	\$2,134,750	\$853,900			October 2025	<ul style="list-style-type: none"> <li>15 out of the 27 projects that make-up this bundle are closed</li> <li>Expect remaining 12 projects to be complete within 2025</li> </ul>
Regional	IH-Wide IMIT Investments	2022/23	\$1,624,250	\$649,700			TBD	<ul style="list-style-type: none"> <li>2 out of the 10 projects that make-up this bundle are closed</li> <li>It is too early to know when the remaining 12 projects will be complete</li> </ul>
Regional	IH-Wide IMIT Investments	2023/24	\$2,340,000	\$936,000			TBD	<ul style="list-style-type: none"> <li>Current year IMIT Project bundle</li> <li>No projects are closed yet</li> <li>Project timelines and budget assessment not known at this time</li> </ul>



# Looking Forward

- Improvements in supply chain-related delays
- Gaining some stability in capital project management capacity
- Cost escalation still a challenge to manage with funding not keeping pace
- IH to provide semi-annual status updates on current projects





# Themes for 2024/25

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- Cost pressures/escalation
- Key infrastructure maintenance and replacement
- Improving resilience in face of climate change
- Strategic Service Priorities
  - Primary Care
  - Mental Health & Substance Use
  - Safety Initiatives
  - Surgical Services
  - Diagnostic Services
- Strengthening backbone of technology





# Capital Funding Request Summary

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- Total Budget for North Okanagan Columbia Shuswap = \$19.6M
- Regional Hospital District Share = \$7.8M
- RHD Previously Approved Funding = (\$0.4M)
- **Net Funding Request to NOCSRHD = \$7.4M**



# Summary by Capital Category

	Total Budget	RHD Share	Previous RHD Funding	Net 2024/25 RHD Funding Request
Construction Projects Over \$100K	14,497,175	5,798,870	(380,000)	5,418,870
Equipment Over \$100K	1,024,600	420,640	0	420,640
IH-Wide Digital Health	2,139,750	855,900	0	855,900
Construction Projects Under \$100K	75,000	30,000	0	30,000
Equipment Under \$100K	1,792,500	717,000	0	717,000
<b>Total</b>	<b>\$19,529,025</b>	<b>\$7,822,410</b>	<b>(\$380,000)</b>	<b>\$7,442,410</b>





# Active Project Budget Pressures

- Pleasant Valley Manor
  - Generator & Switchgear Replacement
    - Current Budget = \$900K
    - Project budget increase = \$145K
    - Net additional RHD Funding Request = \$58K



# New Major Construction Projects

- Shuswap Lake General Hospital
  - Planning for High Acuity/Critical Care Unit



# New Major Construction Projects

- Vernon Primary Care Project
- Polson Long-term Care
  - Generator & Distribution Upgrade
- Vernon Jubilee Hospital
  - Heat Recovery Chiller
  - Second Secure Room





# New Major Equipment

- Vernon Jubilee Hospital
  - Emergency Department Physiological Monitoring System



# IH-Wide Digital Health

- My Health Portal Expansion
  - Self-booking and management of Medical Imaging Appointments
- Infrastructure Expansion/Improvements
  - Protect against cyber attacks
  - Improve network connectivity resiliency
  - Increase capacity to more efficiently access cloud-based services
- Primary Care Transformation – Year 5 of multi-year project



# Thank You for Your Support

## Questions?







# COLUMBIA SHUSWAP REGIONAL DISTRICT

555 Harbourfront Drive NE, PO Box 978, Salmon Arm, BC V1E 4P1  
T: 250-832-8194 | F: 250-832-3375 | TF: 1-888-248-2773 | www.csrld.bc.ca

November 16, 2023

Sent by email: [EMCR.Minister@gov.bc.ca](mailto:EMCR.Minister@gov.bc.ca)

Honourable Bowinn Ma  
Minister of Emergency Management and Climate Readiness

Dear Minister Ma:

## **Re: Response to Emergency Preparedness and Resources Letter**

On behalf of the CSRD Board of Directors, we wish to follow-up regarding correspondence from the Province, dated April 25, 2023 (reference 638875) and our response on May 31, 2023. The subsequent response we received from Assistant Deputy Minister Maley on October 16, 2023 (reference 639632) declined to address the CSRD Board's recommendation that the province, notably Interior Health, take the lead in handling heat-related emergencies as these situations are primarily health related crises.

We continue to believe that while emergency preparedness is a priority for local governments and communities, it is important to recognize that BC's health regions are best equipped to plan and administer health-related initiatives in response to temperature-related public health events.

We believe the CSRD is best suited as a supporting partner under the direction of provincial leadership as it does in other provincial health emergencies. The CSRD is a cooperative and willing partner as a supplier of cooling centres. Due to the lack of medical expertise within local authorities, the CSRD is not suited to assume a leading role in making appropriate decisions on health-related problems during extreme temperature events. Additionally, heat emergencies are widespread occurrences that call for provincial coordination; they are not localized incidents. We acknowledge that extreme temperature-related events are noticeably more frequent and intense, leading to increased health concerns.

Given the potential impact on human life and well-being and given that heat-related emergencies exceed our capacity to respond, the CSRD wants to ensure an ongoing coordinated response under provincial leadership. We look forward to hearing more about your plans and actions on this matter.

Yours truly,  
**COLUMBIA SHUSWAP REGIONAL DISTRICT**  
Per:

  
Kevin Flynn  
Board Chair

cc: North Okanagan Columbia Shuswap Regional Hospital District  
Kootenay East Regional Hospital District  
Thompson Regional Hospital District

#### ELECTORAL AREAS

A GOLDEN-COLUMBIA  
B REVELSTOKE-COLUMBIA

C EAGLE BAY-WHITE LAKE-TAPPEN  
D FALKLAND-SALMON VALLEY

E SICAMOUS-MALAKWA  
F NORTH SHUSWAP-SEYMOUR ARM  
G BLIND BAY-SORRENTO-NOTCH HILL

#### MUNICIPALITIES

GOLDEN  
REVELSTOKE

SALMON ARM  
SICAMOUS

# North Okanagan Columbia Shuswap Regional Hospital District

Audit planning communication to the Board of Directors  
for the year ended December 31, 2023

START

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# To the Board of Directors of North Okanagan Columbia Shuswap Regional Hospital District

We are pleased to provide you with this planning communication to highlight and explain key issues which we believe to be relevant to the audit of North Okanagan Columbia Shuswap Regional Hospital District (the “Hospital District”) financial statements for the year ended December 31, 2023.

The enclosed planning communication includes our approach to your audit, the significant risks we have identified and the terms of our engagement. At the year-end meeting, we will provide you with a copy of our draft audit opinion and discuss the nature, extent and results of our audit work. We will also communicate any significant internal control deficiencies identified during our audit and reconfirm our independence.

Our audit and therefore this communication will not necessarily identify all matters that may be of interest to the Board of Directors in fulfilling its responsibilities. This communication 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.

We look forward to completing our draft audit report opinion and discussing our conclusions with you. In the meantime, please feel free to contact us if you have any questions or concerns.

Yours truly,

BDO Canada LLP  
December 13, 2023



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- 5 Planned scope
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- 7 Our audit approach
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- 9 Recommended resources
- 10 Appendices

## Audit at a glance

- 4 **LEAD PARTNER ON YOUR AUDIT** Angie Spencer, CPA, CA
- 5
- 6 E: [aspencer@bdo.ca](mailto:aspencer@bdo.ca)
- 9 T: (250) 832-7171
- 10
- 11
- 14 **START DATE** November 2023
- 15
- 17 **END DATE** March 2024
- 21

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# Your dedicated BDO audit team



**Angie Spencer, CPA, CA**  
Engagement Partner

T: (236) 836-0133  
E: [aspencer@bdo.ca](mailto:aspencer@bdo.ca)



**Madison Attwood, CPA**  
Assurance Manager

T: (236) 766-3995  
E: [mattwood@bdo.ca](mailto:mattwood@bdo.ca)

**Christian Navalta**  
Auditor In-Charge

T: (250) 832 - 5658  
E: [cnavalta@bdo.ca](mailto:cnavalta@bdo.ca)

## Our independence

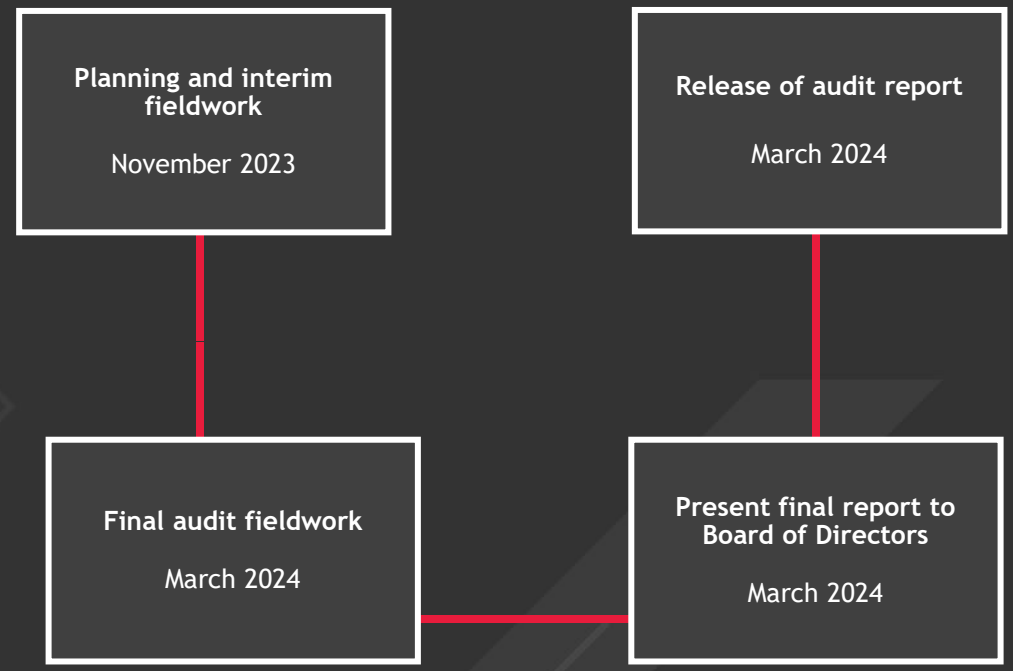


We have complied with relevant ethical requirements and are not aware of any relationships between North Okanagan Columbia Shuswap Regional Hospital District and our Firm that may reasonably be thought to bear on our independence.

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# Audit timeline



## BDO'S DIGITAL AUDIT SUITE APT Next Gen

We use our APT Next Gen software and documentation tool to save time, streamline processes, and go paperless with your audit.

[LEARN MORE](#)

DISCOVER THE DIGITAL DIFFERENCE



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# Auditor's responsibilities: financial statements

We are responsible for forming and expressing an opinion on the financial statements that have been 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 attached as Appendix A to this letter, is set out below:

## Year-End Audit Work

- ▶ Work with management towards the timely issuance of the financial statements.
- ▶ Provide timely and constructive management letters. This will include deficiencies in internal control identified during our audit.
- ▶ 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.



We are required to 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.

We are required to report to you in writing about any significant deficiencies in internal control that we have identified during the audit.



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# Auditor's responsibilities: 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.

## Behind the audit report



Learn how we audit your financial statements

[SEE OUR PROCESS](#)



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## Auditor's responsibilities: fraud

Throughout our planning process, we performed risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the Hospital District's internal control, to obtain information for use in identifying the risks of material misstatement due to fraud and made 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 Hospital District, 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 North Okanagan Columbia Shuswap Regional Hospital District; and
- ▶ Management's communication, if any, to employees regarding its view on business practices and ethical behavior.

We are not currently aware of any fraud affecting the Hospital District. If you are aware of any instances of actual, suspected, or alleged fraud, please let us know.

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## Significant risks and planned responses

We have identified the following significant risks that require special audit consideration. These risks were identified based on our knowledge of the Hospital District, our past experience, and input from management and the Board of Directors. Please review these significant risks and let us know your thoughts on these or any other areas of concern.

Financial statement areas	Risks noted	Audit approach
Management Override of Internal Controls <i>(Mandatory audit consideration)</i>	Per CAS 240.26, 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.	<ul style="list-style-type: none"> <li>Review of transactions recorded in the various ledgers for unusual or non-recurring adjustments not addressed by other audit procedures.</li> </ul>
Revenue Recognition <i>(Mandatory key audit area)</i>	Per CAS 240.32, the auditor's responsibilities relating to fraud in an audit of financial statements is to perform audit procedures to address the risk of management override of controls, irrespective of our assessment of the risk of management override of controls.	<ul style="list-style-type: none"> <li>Taxation revenue streams have revenue recognition issues which will be reviewed in accordance with latest revenue recognition standards.</li> <li>Review of controls in place for recording revenue.</li> <li>Review revenue recognition policy for consistency with the professional standards.</li> </ul>

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# Materiality

We determined preliminary materiality to be \$115,000, based on 3.0% of expenditures.

Misstatements are considered to be material if they could reasonably be expected to influence the decisions of users based on the financial statements.

Our materiality calculation is based on the Hospital District’s preliminary results. If actual results change significantly, we will communicate those 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.”

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





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# How we audit financial statements: Our audit process

## IDENTIFY AND ASSESS RISK

Focus on those areas of financial statements that contain potential material misstatements as a consequence of the risks you face

## OBTAIN AUDIT EVIDENCE

Perform audit procedures while maintaining appropriate degree of professional skepticism, to conclude whether or not the financial statements are presented fairly

## COMMUNICATION

Communicate our opinion and details of matters on which we are required to communicate



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# How the firm’s system of quality management supports the consistent performance of quality audit engagements

The firm’s system of quality management complies with the requirements set out in Canadian Standard on Quality Management 1 - Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (CSQM 1) as issued by the Auditing and Assurance Standards Board (AASB).

In addition to the requirements set out in CSQM 1, we may have identified additional quality objectives and potential quality risks and have designed further policies and procedures to respond to these.

Taken together our system of quality management supports consistent performance of audit engagements by focusing on eight components that operate in an iterative and integrated manner. These include:

- 1 Firm risk assessment process
- 2 Governance and leadership
- 3 Relevant ethical requirements
- 4 Acceptance and continuance
- 5 Engagement performance
- 6 Resources
- 7 Information and communication
- 8 Monitoring and remediation process

## Standard for Audit Quality

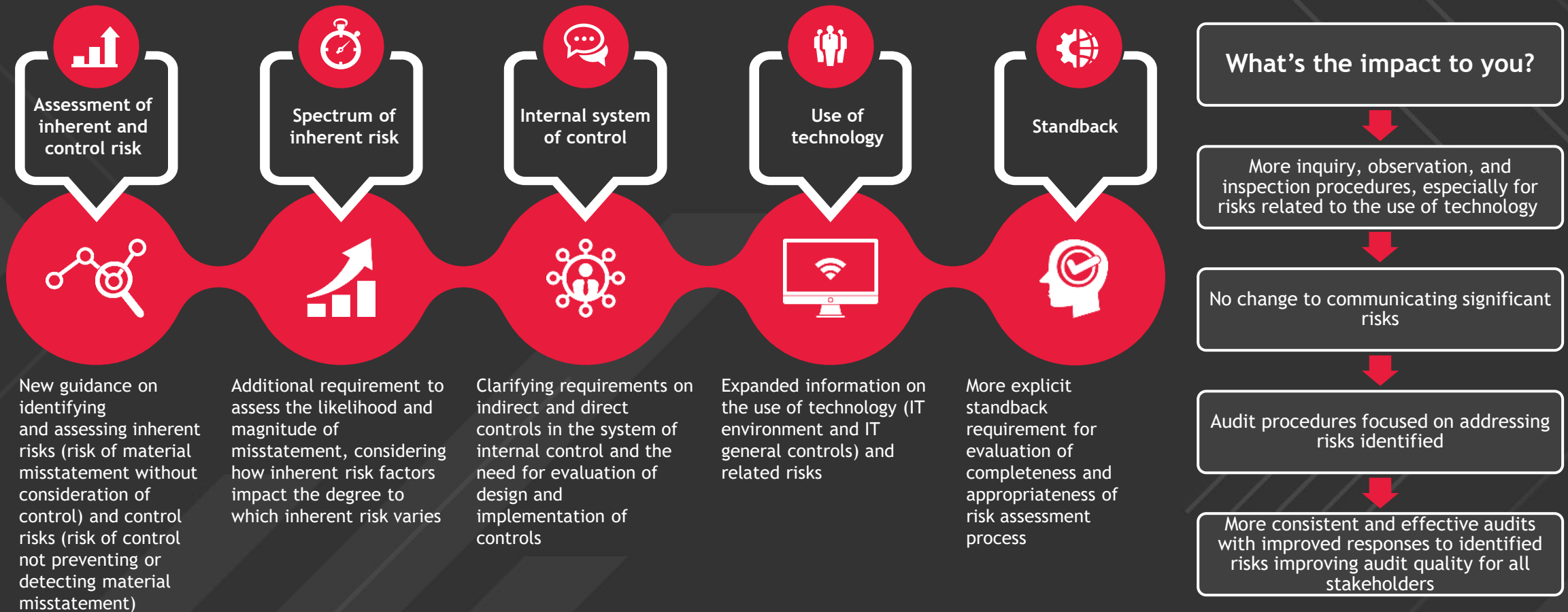


### CSQM 1

The quality of an audit depends not only on the people conducting it—but also on the systems underpinning it. These new rules up the ante for your audit quality.

# Updates to our audit process

Canadian Auditing Standard 315, *Identifying and Assessing the Risks of Material Misstatement*, was significantly revised with a greater focus on more robust risk identification, assessment and response procedures. The standard is effective for periods beginning on or after December 15, 2021. Key enhancements include:





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# Our audit approach: Responsiveness in action

Our firm is deliberately structured to allow one partner to every six staff members. This means easy access to senior staff and the lead partner throughout your audit. It also helps our team gain a better understanding of your organization. Our audit process differs from the typical audit in our use of in-field reviews, subject to COVID-19 safety protocols. The benefit of these in-field reviews is that final decision-makers are on site ensuring issues are resolved and files closed quickly. We offer clients the full-service expertise of a national firm. Yet we maintain a local community focus. The comprehensive range of services we deliver is complemented by a deep industry knowledge gained from over 100 years of working within local communities.



Discover how we're accelerating audit quality



## Audit Quality Report

We collected our core beliefs around audit quality, the very practical steps we take to sustain it, and the progress we have made to accelerate its quest.

[Follow our progress](#)

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# BDO's digital audit suite

Our digital audit suite of technologies enables our engagement teams to conduct consistent risk-based audits, both domestically and internationally, with maximum efficiency and minimal disruption to our clients' operations and people.



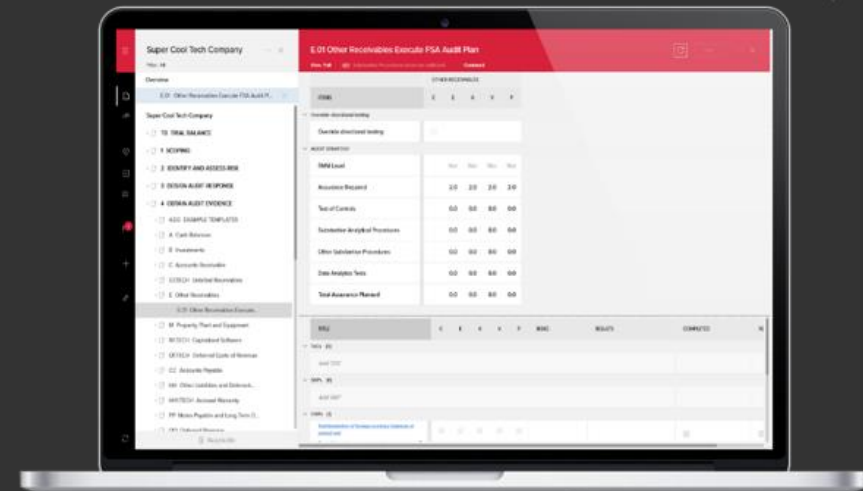
## APT Next Gen

Our audit software and documentation tool, APT, is an integral part of our audit methodology. Our professionals engage APT to devise and perform appropriate, risk-based audit procedures and testing based on applicable Canadian Auditing Standards (CASs), as well as to factor in engagement and industry-specific objectives and circumstances.

APT enables us to deliver an audit that fits your organization—whether large or small; complex or basic.

This sophisticated tool also amplifies two key attributes of our audits: consistency and quality. The quality framework that we developed measures our audit performance with hard quality indicators and reflects our indispensable culture for quality. To see our audit quality and consistency in action, look no further than how our teams share best audit practices for continuous improvement.

Through a strategic alliance with Microsoft and the introduction of new technology, this global, cloud-based application can now streamline and focus the audit process in even more ways for BDO professionals and their clients.

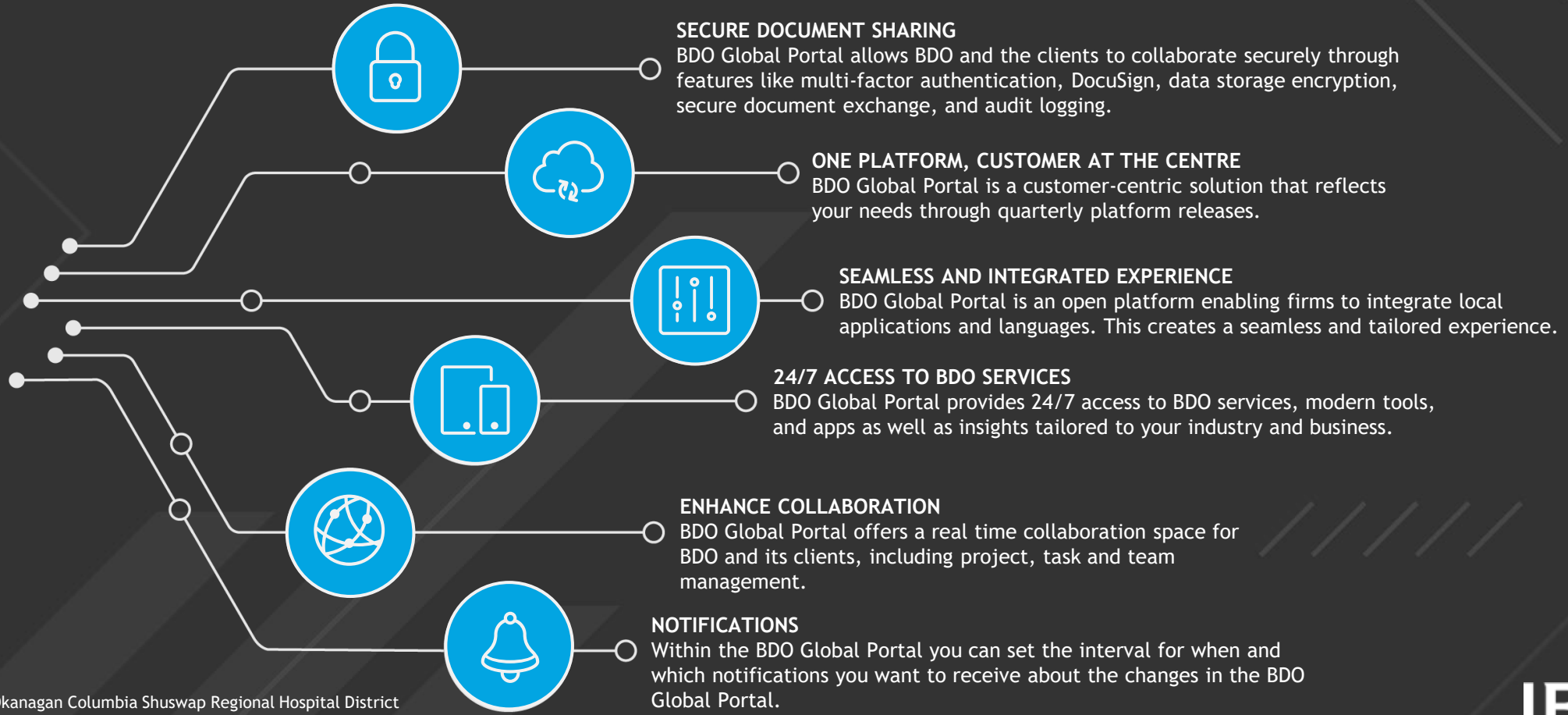


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## BDO Global Portal

BDO Global Portal transforms and enhances your digital experience with your BDO advisors. Available at any time, Portal enables you to access all services, tools, apps, and information and to collaborate with your advisors in a seamless way through a flexible, appealing, and secure environment.



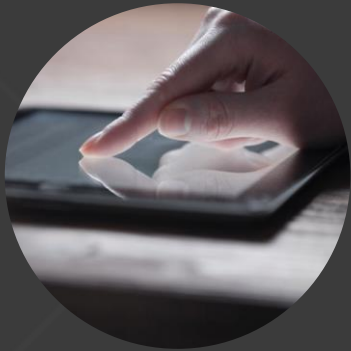
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# Recommended Resource

## Staying in the know with knowledge and perspective

### Key changes to financial reporting



When the rules of reporting change, you may need to fine-tune how to present financial statements and govern the organization.

[ACCESS OUR KNOWLEDGE CENTRE](#)

### The latest tax pointers



Corporate. Commodity. Transfer pricing. International tax. Government programs. Together they add up to immense differences on the organization's bottom line. Our tax collection keeps you current.

[STAY ON TOP OF TAXES](#)

### Trending topics



As a community of advisors with the best interests of our clients in mind, we keep our ear to the ground to bring insights and perspectives related to key business trends to you.

[EXPLORE NOW](#)

### Asset Retirement Obligations (ARO): A Practical Approach to Section PS 3280



This publication will walk through a practical approach to applying Section PS 3280 including: identification, recognition and measurement of an obligation, and the different options available to entities on transition.

[READ ARTICLE](#)

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# Recommended Resource

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[READ ARTICLE](#)

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# Spotlight on ESG



Transformative world events—an international health crisis, social movements, shareholder and investor values, global supply chains, energy transition, smart cities, and sustainable finance—are transforming Canadian business.

Standards and regulations are rapidly changing to reflect the goals of all of your stakeholders. Organizations, investors, and customers are embracing environmental, social, and governance (ESG) considerations as important measures of success. Non-financial and financial information is becoming more interconnected.

## ESG Insights



Sector insights at your convenience

[EXPLORE NOW](#)



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# Spotlight on public sector



## Industry insights to shape your business

At BDO, we help governments create efficient ways of working to achieve better outcomes for their citizens and public servants. From technology-based solutions to program development, advisory and audit, our team can guide you through critical strategic decisions to ensure you deliver on your vision, goals, and accountability expectations.

### Public sector Insights



Resources to support your business

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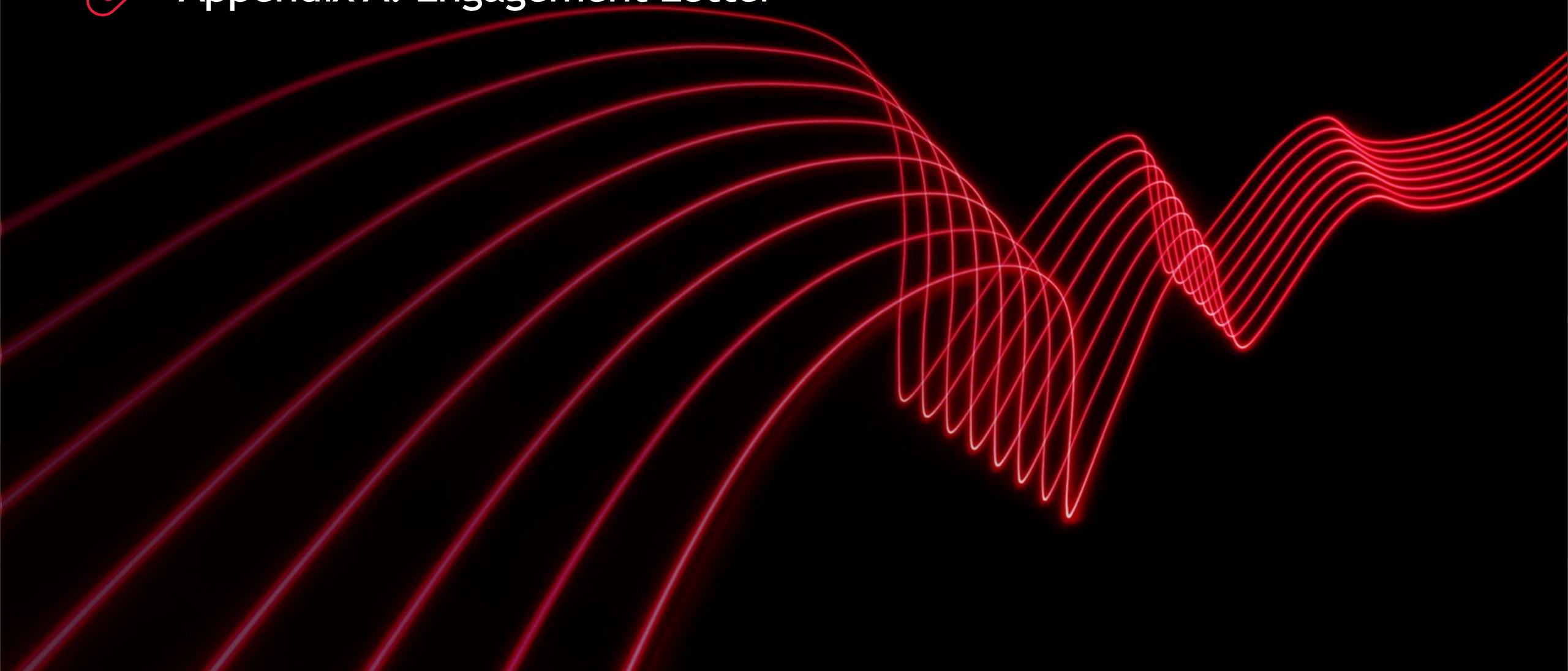
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# Appendices

- ▶ Appendix A: Engagement Letter
- ▶ Appendix B: PSAS Update 2023



# Appendix A: Engagement Letter





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

November 29, 2023

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

Dear Jodi Pierce, CPA, CGA,

We understand that you wish to engage us as the auditors of North Okanagan Columbia Shuswap Regional Hospital District for its fiscal year ended December 31, 2023 and subsequent years.

We are pleased to perform the engagement 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 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 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.

## Fee Estimation

The estimated fee for this engagement is as follows:

- Audit services: \$8,000

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 Canadian Public Sector Accounting Standards 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. 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.

Our professional fees will be based on our billing rates which depend on the means by which and by whom our Services are provided. Our billing rates may be subject to change from time to time at our discretion with or without notice to you.

Delays in providing the complete list of agreed upon working papers/schedules to BDO will result in additional fees as follows:

- 1 week delay - additional 10% of estimated fees
- 1 month delay - additional 20% of estimated fees

Should a delay occur, we cannot guarantee completion of our work by your deadline.

We will also bill you for our out-of-pocket expenses, our administrative and technology charge, and applicable Goods and Services Sales Tax, Harmonized Sales Tax, Quebec Sales Tax and Provincial





Sales Tax. Our administrative and technology charge is calculated as 7% of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure and support staff time costs.

Our fees will be invoiced and payable as follows:

- \$3,000 interim payment - November 2023;
- \$3,000 commencement of year-end fieldwork - March 2024;
- \$2,000 within 10 days after issuance of our final invoice along with any additional required final payments.

Our accounts are due when rendered and invoiced amounts are deemed to be earned when paid. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Fees that are not paid within 30 days of an invoice or by a specified payment deadline will be considered delinquent. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

### 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,

*BDO Canada LLP*

Chartered Professional Accountants

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

DocuSigned by:

*Jodi Pierce*  
B345C9D105A4455...  
Signature

2023-12-05 | 13:19:35 PST

Date

Jodi Pierce

General Manager, Financial Services

Name (please print)

Position

Please carefully review this Agreement, which includes the attached Standard Terms and Conditions, prior to signing it. A complete copy of the signed engagement letter should be returned to us.



## *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, including without limitation any non-disclosure agreements entered into in advance of this Agreement. This Agreement applies to Services whenever performed (including before the date of this Agreement). 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, supporting schedules or other appendices to the letter, and any Summary of Services letters issued in future years

Services - the services provided or to be provided under this Agreement, and any other services which we agree to provide to you subsequent to the date of this Agreement that are not covered by a separate engagement letter

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. 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 - all non-public proprietary or confidential information and Personal Information, including Client Documents

Personal Information - personal information that is or could be attributed to identifiable individuals

Client Documents - information (including internal financial information and internal records and reports) provided to us by you or on your behalf in connection with the performance of the Services

### 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 well as all liability protections contained herein, as if they were a party to this Agreement. For greater certainty, you agree that other BDO Member Firms that are subcontractors may enforce any limitations or exclusions of liability available to us under 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 - All reports (including assurance reports where applicable), written advice, working papers, and internal materials created or developed by us pursuant to this Agreement are owned by us, and we retain all property rights therein. All Client Documents continue to be your property, provided that we retain copies of such documents as necessary for our internal record keeping (including as required to comply with our professional obligations).
  - 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 party other than you, and are intended for the benefit of only you. 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. The receipt by any third parties of any advice, opinions, reports or other work product is not intended to create any duty of care, professional relationship or any present or future liability between such third parties and us. For greater certainty, we expressly disclaim any liability of any nature or kind resulting from the disclosure to or unauthorized reliance by any third party on our advice, opinions, reports or other work product.
  - 4.5 Consent to use the Report - Nothing in this Agreement shall be construed as 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 and we expressly do not provide such consent. If you request consent for the use of our report, we will consider, at the relevant time, providing consent and any conditions that we may attach to such consent. Our consent must be in writing.
  - 4.6 Consent requests - 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. Any consent request must be made on a sufficiently timely basis 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 and will be documented in a separate engagement letter.

## 5 Confidentiality

5.1 We will use Confidential Information provided by you only in relation to the Services or for internal and administrative purposes. You agree, however, that we may use such Confidential Information for predictive analytics to provide you with key performance indicators and other analysis and insights. We will not disclose any Confidential Information, except where required by law, regulation or professional obligation. You agree, however, that we may disclose Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services, provided that such parties are bound by reasonable confidentiality obligations no less stringent than in this Agreement.

## 6 Analytics

6.1 You agree that we may use anonymized and aggregated usage metrics, metadata or other tag identifiers, and Confidential Information that will not include any personally identifiable information, related to your use of BDO products and/or services to develop, modify and improve tools, services and offerings and for data analytics and other insight generation. Information developed in connection with these purposes may be used or disclosed to current or prospective clients as part of service offerings, however we will not use or disclose your name or any Confidential Information in a way that would permit you to be identified.

## 7 Privacy and Consent for Use of Personal Information

7.1 In order to provide our Services, we may be required to access and collect Personal Information of individuals that is in your custody. You agree that we may collect, use, store, transfer, disclose and otherwise process Personal Information as required for the purpose of providing the Services. Personal Information may be processed in various jurisdictions in which we or applicable BDO Member Firms and subcontractors providing Services operate and as such Personal Information may be subject to the laws of such jurisdictions. Personal Information will at all times be collected, used, stored, transferred, disclosed or processed in accordance with applicable laws and professional regulations and we will require any service providers and BDO Members that process Personal Information on our behalf to adhere to such requirements. Any collection, use, storage, transfer or disclosure of Personal Information is subject to BDO's Privacy Statement available at <https://www.bdo.ca/en-ca/legal-privacy/legal/privacy-policy/>.

7.2 You represent and warrant that:

- (a) you have the authority to provide the Personal Information to us in connection with the performance of our Services, and
- (b) the Personal Information provided to us has been provided in accordance with applicable law, and you have obtained all required consents of the individuals to whom such Personal Information relates in order to permit BDO to collect, use and disclose the Personal Information in the course of providing the Services.



- 8 Independence
  - 8.1 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.
- 9 Offers of Employment
  - 9.1 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.
- 10 Professional and Regulatory Oversight and Legal Processes
  - 10.1 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.
  - 10.2 Certain law enforcement, regulatory and other governmental bodies may also have the right under law or regulation to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law or regulation, we will advise you of any such document request or production order we receive in connection with any such investigation prior to providing any documents in response to such request or order.
  - 10.3 We are sometimes required by law, regulation, subpoena or other legal process, or upon your request, to produce documents or personnel as witnesses in connection with legal or regulatory proceedings. Where BDO is not a party to such proceedings, you shall reimburse us at our current standard billing rates for professional time and expenses, including without limitation, reasonable legal fees, expenses and taxes incurred in responding to such compelled assistance or request by you.
- 11 Electronic Communications
  - 11.1 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.
- 12 Limitation of Liability
  - 12.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO's liability will be several, and not joint and several, and 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, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.

- 12.2 In no event shall BDO be liable for indirect, consequential, special, incidental, aggravated, punitive or exemplary damages, losses or expenses, or for any loss of revenues or profits, loss of opportunity, loss of data, or other commercial or economic loss or failure to realize expected savings, including without limitation expected tax savings, whether or not the likelihood of such loss or damage was contemplated.
- 12.3 BDO shall in no event be liable under this Agreement or otherwise in connection with the Services for any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively, "Liabilities") 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 to BDO by you, in a twelve consecutive month period, for the Services provided pursuant to this Agreement giving rise to the claim; and
  - (b) \$25,000.
- 12.4 The limitations of liability in this section apply whether or not the Liabilities asserted by you against BDO are incurred by you directly or as a result of a claim or demand against you by a third party.
- 12.5 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.
- 12.6 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.
- 12.7 For purposes of this Section, the term "BDO" shall include BDO Canada LLP and its subsidiaries, associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. The provisions of this Section shall apply to the fullest extent of the law, regardless of the form of the claim, whether in contract, statute, tort (including without limitation, negligence) or otherwise.

#### Indemnity

- 13.1 To the fullest extent permitted by applicable laws, in the event of a claim or demand by a third party against BDO that arises out of or relates to the Services, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, or expenses resulting from such third party claim or demand, except to the extent that the same is finally determined to have resulted from BDO's negligence or intentional misconduct.

#### Alternative Dispute Resolution

- 14.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this Agreement, including any question regarding its existence, interpretation,





validity, breach or termination, or the Services provided hereunder, through good faith negotiations.

- 14.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation using a mediator chosen by mutual agreement of the parties.
- 14.3 All disputes remaining unsettled for more than 60 days following the parties first mediation session with a mediator, or such longer period as the parties mutually agree upon, shall be referred to and finally resolved by arbitration. The parties agree that one arbitrator shall be appointed within twenty (20) days of receipt of the request for arbitration. If the parties cannot agree on the appointment of an arbitrator in such period then either party may immediately apply for the appointment of an arbitrator to a court of competent jurisdiction in the Province of the governing law as contained herein pursuant to such Province's applicable *Arbitration Act*. The place of arbitration shall be in the capital of the Province of the governing law as contained herein. Unless the arbitrator otherwise determines, the fees of the arbitrator and the costs and expenses of the arbitration will be borne and paid equally by the parties. 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 whatsoever. The parties hereby waive any such right of appeal or judicial review which may otherwise be provided for in any provincial arbitration statute. Judgement upon the award, including any interim award, rendered by the arbitrator may be entered in any court having jurisdiction. The arbitration shall be kept confidential and the existence of the arbitration proceeding and any element thereof (including but not limited to any pleadings, briefs or other documents submitted and exchanged and testimony and other oral submissions and any awards made) shall not be disclosed beyond the arbitrator(s), the parties, their counsel and any person to whom disclosure is necessary to the conduct of the proceeding except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise.

## 15 Limitation Period

- 15.1 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.
- 15.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than four years after the completion of the Services under this Agreement.
- 15.3 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.

## Québec Personnel

- 16.1 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. Any limitation of liability clauses in this Agreement 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.

#### Termination

17.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).

17.2 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.

#### 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 British Columbia 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 Survival

19.1 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

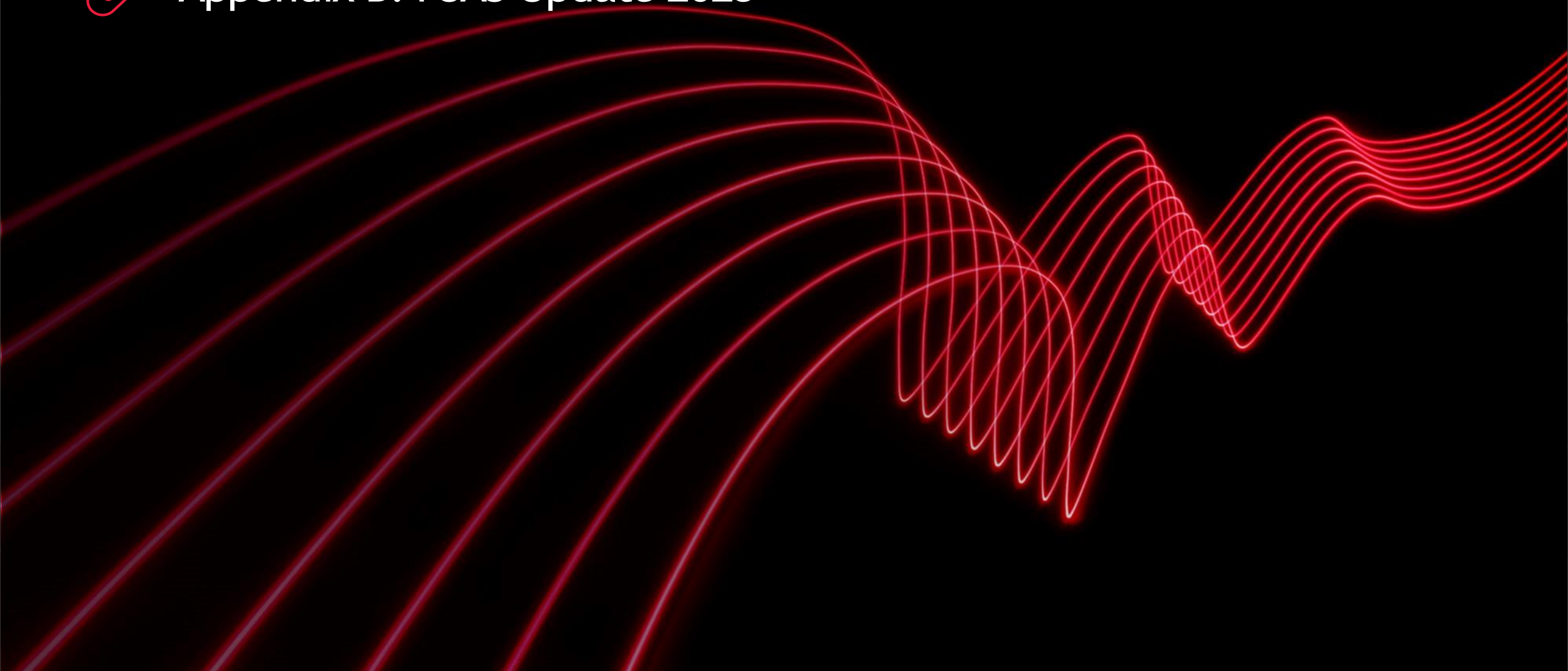
22.1 The provisions of this Agreement shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of these provisions shall be held to be invalid, void or unenforceable, then the remainder of this Agreement shall not be affected, impaired or invalidated, and each such remaining provision shall be valid and enforceable to the fullest extent permitted by law.

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# Appendix B: PSAS Update 2023



# Assurance and Accounting Public Sector Accounting Standards (PSAS) Update 2023

## Introduction

It was another active year for the Public Sector Accounting Board (PSAB or the “Board”). The Board was hard at work advancing the progress of a number of projects such as its government not-for-profit strategy, as well as, issuing a revised conceptual framework and approving a new reporting model. This publication will provide a look at these projects, as well as, the impacts of new standards effective over the next few years including Section PS 3280, *Asset Retirement Obligations*, the Financial Instruments suite of standards, Section PS 3160, *Public Private Partnerships*, Section PS 3400, *Revenue*, and PSG-8, *Purchased Intangibles*. Use the table below to navigate to the sections of the publication most relevant for you.

NEW STANDARDS / AMENDMENTS EFFECTIVE FOR FISCAL YEARS BEGINNING ON OR AFTER:	
April 1, 2022	<ul style="list-style-type: none"> <li><a href="#">Asset Retirement Obligations</a></li> <li><a href="#">Financial Instruments Suite of Standards</a></li> </ul>
April 1, 2023	<ul style="list-style-type: none"> <li><a href="#">Revenue</a></li> <li><a href="#">Purchased Intangibles</a></li> <li><a href="#">Public Private Partnerships</a></li> </ul>
April 1, 2026	<ul style="list-style-type: none"> <li><a href="#">Revised Conceptual Framework</a></li> <li><a href="#">New Reporting Model</a></li> </ul>

THE FUTURE OF PSAS	
	<ul style="list-style-type: none"> <li>• <a href="#">Employment Benefits</a></li> <li>• <a href="#">2022-2023 Annual Improvements</a></li> <li>• <a href="#">Government Not-for-Profit Strategy</a></li> </ul>
PUBLIC SECTOR ACCOUNTING DISCUSSION GROUP	
	<ul style="list-style-type: none"> <li>• <a href="#">Summary of issues discussed at November 2022 and June 2023 meetings</a></li> </ul>

## Standards Effective April 1, 2022

Public sector entities must consider the impacts the following new and amended standards will have on their December 31, 2023 year ends. Refer to the publications provided in the table at the end of this section for more detailed information on these changes.

### Asset Retirement Obligations

In March 2018, the Board issued new Section PS 3280, *Asset Retirement Obligations*. Prior to this, the PSA Handbook did not include specific guidance on accounting for asset retirement obligations. In applying this standard in practice, it is very important that public sector entities take the time to perform a thorough analysis when deciding which asset retirement costs are in the scope of this standard. Once the proper scoping has been completed the remaining guidance in the standard should be used to ensure proper recognition, measurement, presentation and disclosure.

#### Scope

The standard only applies to legal obligations, including obligations created by promissory estoppel. This standard impacts tangible capital assets controlled by public sector entities, regardless of whether or not they are in productive use or not. Some examples of costs that would potentially fall within the scope of this standard include:

- Costs to remove asbestos and fuel tanks;
- Costs incurred to retire an x-ray or similar machine;
- Solid waste landfill closure and post closure liabilities; and
- Costs to remove customizations/ leasehold improvements from leased premises.

To perform proper scoping for asset retirement obligations, management should ensure employees with the appropriate knowledge are involved to ensure all potential asset retirement obligations are identified.

#### Recognition and Measurement

Under the new standard, an asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset controlled by a public sector entity. Asset retirement obligations associated with tangible capital assets include post-retirement operation, maintenance, and monitoring costs. A liability for an asset retirement obligation would be recognized when **all** of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

Recognition of asset retirement costs is accomplished by increasing the carrying amount of the related tangible capital asset, or a component thereof, and then expensing this amount in a rational and systematic manner. A present value technique may be the best method of estimating the liability. Depending on the nature of a re-measurement and whether the asset remains in productive use, subsequent re-measurement of the liability could result in either a change in the carrying amount of the related tangible capital asset or a component thereof, or an expense. Asset retirement costs associated with an asset that is not recognized on the public sector entity's financial statements and those associated with assets no longer in productive use would be expensed immediately.

### ***Landfills***

The new standard includes landfill related asset retirement obligations within its scope so that all asset retirement obligations are accounted for consistently within the public sector. Existing Section PS 3270, *Solid Waste Landfill Closure and Post-closure Liability*, has been withdrawn. This change will result in asset retirement obligations associated with landfills recognized earlier than they are under the current guidance.

### ***Amendments to Section PS 3260***

Changes have been made to Section PS 3260, *Liability for Contaminated Sites*, to clarify what will fall within the scope of this standard vs. the scope of the new asset retirement obligation standard. Additionally, under the new standard any expected recoveries associated with the asset retirement obligation would not be netted against the liability. In the past, Section PS 3260 has allowed recoveries to be netted against the liability. To improve consistency between the two standards, Section PS 3260 has been amended to no longer allow netting.

For more details on this new standard and its application please refer to our publication [Asset Retirement Obligations \(ARO\): A Practical Approach to Section PS 3280](#).

### **Financial Instruments, Foreign Currency, Financial Statement Presentation and Portfolio Investments**

Sections PS 3450, *Financial Instruments*, and PS 2601, *Foreign Currency Translation*, are applicable for fiscal years beginning on or after April 1, 2022, for public sector entities that did not previously apply the CPA Canada Handbook - Accounting prior to adopting the PSA Handbook (for example governments). At the same time public sector entities adopt these two Sections, they must also adopt Section PS 1201, *Financial Statement Presentation*, Section PS 3041, *Portfolio Investments*, and the effective interest method outlined in paragraph .25 of Section PS 3050, *Loans Receivable*. For more details on these standards, please refer to our publication [A Guide to Accounting for Financial Instruments in the Public Sector](#).



Over the past few years, the effective date of these Sections was delayed several times due to concerns raised by senior governments in some provinces on the implementation of Sections PS 2601 and PS 3450 related to recognition and measurement of derivatives, the lack of hedge accounting, and the accounting treatment for bond repurchases. The Board investigated various options to address these concerns and issued three further amendments to the above standards. The details of the amendments are described below, and these amendments would be effective in the same periods the above standards are first applied.

#### ***Federal Government Narrow-Scope Amendments***

The Board issued amendments to Section PS 2601 to address the presentation of the exchange gain or loss component of a financial instruments change in fair value when that financial instrument is associated with the federal government's foreign reserves. Section PS 1201 was amended to clarify, that foreign exchange gains or losses from such instruments are not required to be presented in the statement of remeasurement gains and losses.

#### ***Foreign Exchange Narrow-Scope Amendments***

The Board issued amendments to Section PS 2601 to allow all public sector entities to make an accounting policy election for financial assets and financial liabilities arising from a foreign currency transaction to, on initial recognition, recognize their exchange gains and losses, including the foreign exchange gain or loss component of changes in fair value, directly in the statement of operations.

Section PS 1201 has been amended as a result of the above, to clarify that the exchange gains and losses subject to the election would not be recognized in the statement of remeasurement gains and losses. Section PS 3450 has been amended to require disclosure of the carrying value of financial assets and liabilities to which the above election is applied in the notes to the financial statements.

#### ***Presentation Narrow-Scope Amendments***

The Board issued amendments to Section PS 1201 clarify the presentation of derivatives. The amendments include:

- The remeasurement impact of derivatives and other categories of financial instruments may be presented as separate line items on the statement of changes in net debt;
- A new subtotal for the change in net debt excluding the impact of remeasurement gains and losses may be presented on the statement of change in net debt; and
- A footnote on the net debt indicator may be included in the statement of financial position to refer readers to the additional detail provided on the statement of changes in net debt.

The resources listed below provide additional information on the changes discussed in this section of the publication.

AMENDMENT / NEW STANDARD	RESOURCES
New Section PS 3280, <i>Asset Retirement Obligations</i>	<ul style="list-style-type: none"> <li>• <a href="#">Asset Retirement Obligations (ARO): A Practical Approach to Section PS 3280</a></li> <li>• <a href="#">PSAB at a Glance: Section PS 3280, Asset Retirement Obligations</a></li> </ul>
New Sections PS 3450, <i>Financial Instruments</i> ; PS 2601, <i>Foreign Currency Translation</i> ; PS 3041, <i>Portfolio Investments</i> ; PS 1201, <i>Financial Statement Presentation</i> ; and amendments to Section PS 3050, <i>Loans Receivable</i> , on accounting for financial instruments	<ul style="list-style-type: none"> <li>• <a href="#">A Guide to Accounting for Financial Instruments in the Public Sector</a></li> <li>• <a href="#">PSAB at a Glance: Section PS 1201, Financial Statement Presentation</a></li> <li>• <a href="#">PSAB at a Glance: Section PS 2601, Foreign Currency Translation</a></li> <li>• <a href="#">PSAB at a Glance: Section PS 3041, Portfolio Investments</a></li> <li>• <a href="#">PSAB at a Glance: Section PS 3050, Loans Receivable</a></li> <li>• <a href="#">PSAB at a Glance: Section PS 3450, Financial Instruments</a></li> </ul>

## Standards Effective April 1, 2023

Public sector entities must consider the impacts the following new and amended standards will have on their March 31, 2024 and December 31, 2024 year ends. Refer to the publications provided in the table at the end of this section for more detailed information on these changes.

### Revenue

In November 2018, the Board issued new Section PS 3400, *Revenue*. Prior to this, the PSA Handbook only contained guidance on specific revenue transactions such as, taxation, government transfers, etc. As a result, many public sector entities consulted other sources of GAAP when accounting for types of revenue for which the PSA Handbook did not provide specific guidance, which resulted in diversity in practice.

The new standard establishes overall guidance on how to account for and report revenue. The standard makes a distinction between transactions that include performance obligations (exchange transactions) and those that do not include a performance obligation (non-exchange transactions). A performance obligation is an enforceable promise to provide specific goods or services to a specific payor. Based on the definition, in order to identify a performance obligation a public sector entity must be able to identify a distinct good or service and a specific payor. Revenue from transactions with performance obligations is recognized when (or as) the public sector entity satisfies a performance obligation by providing the goods or services to a payor. Therefore, once a performance obligation is identified, an assessment is needed to determine whether revenue recognition occurs over a period of time or at a point in time.

### ***Transactions with Performance Obligations Satisfied at a Point in Time***

A performance obligation is satisfied, and revenue is recognized when control of the benefits for a good or service have been transferred to the payor. Some indicators that control has been transferred include, but are not limited to:

- When the payor is able to use or direct the use, sell, or exchange and obtain substantially all the remaining benefits from the good or service; or
- When the payor has hold of the good or service and can use it at their discretion.

If a performance obligation is not satisfied over a period of time (as described in the next section below), then it must be recognized at a point in time considering the above criteria. An example of a transaction where a performance obligation would be recognized at a point in time would be when a public sector entity sells a recycling bin, since after the initial sale transaction the payor controls the asset and there are no further performance obligations for the public sector entity to complete.

### ***Transactions with Performance Obligations Satisfied Over Time***

When control of the benefits associated with a good or service passes to the payor over time, then the entity recognizes revenue over a period of time if any of the following indicators are met:

- The payor simultaneously receives and consumes the benefit as the public sector entity fulfils the performance obligation;
- The public sector entity's performance creates or enhances an asset that the payor controls or uses as the asset is created or enhanced;
- The public sector entity's performance does not create an asset with an alternative use to the public sector entity, and the public sector entity has an enforceable right to payment for performance completed to date;
- The public sector entity is expected to continually maintain or support the transferred good or service under the terms of an arrangement; or
- The payor is granted access to a specific good or service under the terms of an arrangement.

A portion of the transaction price allocated to each performance obligation is recognized as revenue as the performance obligation is satisfied. An example of a transaction with performance obligations settled over time would be a college providing a certificate course consisting of weekly lectures over an eight-month period to a student who pays \$4,000 up front, since the college must perform multiple performance obligations over a period of time.

### ***Transactions with no Performance Obligations***

Some transactions entered into by a public sector entity do not have any performance obligations attached to them. When this is the case, revenue would be recognized when the public sector entity has authority to claim or retain an inflow of economic resources and a past event or transaction that gives rise to an asset has occurred. An example of a transaction without a performance obligation would be a municipality issuing a parking ticket or fine.

### **Transition**

Adoption of the standard will be accounted for as a change in accounting policy and may be applied retroactively with restatement of prior periods or prospectively.

### **Purchased Intangibles**

In November 2020, the Board issued new a new public sector guideline (PSG) on purchased intangibles. Prior to this, the PSA Handbook prohibited the recognition of purchased intangibles in the financial statements of public sector entities following PSAS without the PS 4200 series of standards. The main highlights of this new PSG-8 include:

- Defining purchased intangibles as identifiable non-monetary economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act.
- Purchased intangibles are recognized as assets when they meet the definition of an asset and the general recognition criteria in Section PS 1000, *Financial Statement Concepts*. Section PS 3210, *Assets*, provides guidance on applying the asset definition.
- PSG-8 does not provide specific in-depth guidance on how to account for purchased intangibles, but directs the reader to consider the following guidance in determining how to account for purchased intangibles:
  - The definition of an asset in Section PS 1000 and the additional guidance on the asset definition in Section PS 3210;
  - The recognition, measurement, and disclosure concepts in Section PS 1000; and
  - The GAAP Hierarchy in Section PS 1150, *Generally Accepted Accounting Principles*.
- Purchased intangibles are classified as non-financial assets.
- PSG-8 is applied retroactively or prospectively in accordance with Section PS 2120, *Accounting Changes*.

The Board also amended Sections PS 1000 and Section PS 1201 to allow for the recognition of purchased intangibles and removed the disclosure requirements for unrecognized purchased intangibles as a result of the issuance of PSG-8.

### **Public Private Partnerships**

An issue that was identified as a priority in PSAB's 2014 Project Priority Survey was accounting for public private partnerships. These types of arrangements are becoming more common across Canada as government entities look for new ways to finance capital projects, and authoritative guidance on how to account for them was needed. After obtaining feedback from stakeholders, in April 2021, the Board issued new Section PS 3160, *Public Private Partnerships*. The main features of the new standard include:

### **Scope**

- This section applies to public private partnerships between a public sector entity and a private sector partner for infrastructure-project delivery with risk allocation that provides for public sector control of the asset at any point during the arrangement and in which the private sector partner satisfies all the obligations required.
- The private sector partner is obligated to:
  - design, build, acquire or better new or existing infrastructure;
  - finance the transaction past the point where the infrastructure is ready for use; and
  - operate and/or maintain the infrastructure.

### ***Examples of P3 arrangements in the scope of this section:***

- The public sector contracts with a private corporation to design, finance and construct a facility. Once completed, the ownership is transferred to the public sector. The public sector then leases the facility back to the private sector, which operates the facility.
- The public sector contracts with the private sector for the design, financing, construction and operation of a new project for a specified time (known as the concession period). During the concession period, the private sector owns and operates the facility, earning a return on its investment through a lease arrangement with the public sector or through user charges. At the end of the period, the public sector takes possession of the facility and has the option of running the facility itself, or giving another contract to the private sector partner.

### **Recognition**

- Where infrastructure is acquired or bettered through a public private partnership, it is recognized as an asset of the public sector entity when the public sector entity controls:
  - The purpose and use of the infrastructure;
  - Access to the future economic benefits and exposure to risks of the infrastructure asset; and
  - Significant residual interest in the infrastructure, if any, at the end of the public private partnership's term.
- At the same time that the infrastructure asset is recognized, an offsetting liability is also recognized. The type of consideration provided to the private sector partner determines the type of liability that is recognized. This distinction will impact subsequent measurement of the liability.
  - Where the consideration is cash or another financial asset, the public sector entity recognizes a financial liability (financial liability model).
  - Where the consideration is the granting of rights (such as the right to charge end users). the public sector entity recognizes a performance obligation (user-pay model).

### ***Initial Measurement***

- An infrastructure asset is initially recognized at cost. Where the cost of acquiring or constructing the infrastructure is both determinable and verifiable such as from a procurement process or contractual agreement, these amounts would be used to initially measure cost.
- Where the cost information is not readily determinable or verifiable, the cost is then equal to the estimated fair value of the asset at the transaction date.
- The offsetting liability is initially measured at the same value as the infrastructure asset less any amounts already paid to the private sector partner.

### ***Subsequent Measurement***

- The infrastructure would be accounted for similar to other assets and would be amortized over its useful life in a rational and systematic manner.
- The subsequent measurement of the liability will depend on the model used for initial measurement.
  - Under the financial liability model, the financial liability would be subsequently measured at amortized cost using the effective interest method.
  - Under the user pay model the liability is subsequently reduced as revenue is recognized by the private sector partner based on the terms of the public private partnership arrangement.

### ***Transition***

- This Section may be applied retroactively or prospectively as follows:
  - Prospective application is used for an infrastructure asset and related liability where control of the infrastructure asset arose on or after April 1, 2023.
  - Retroactive application is used with or without prior period restatement, for an infrastructure asset and related liability where control of the asset arose prior to April 1, 2023 and the asset and related liability have not been previously recognized.
  - Retroactive application is also used with or without prior period restatement, for an infrastructure asset and related liability where control of the asset arose prior to April 1, 2023 and where the asset and related liability were previously recognized and now require adjustment upon applying this new Section.

The resources listed below provide additional information on the changes discussed in this section of the publication.



AMENDMENT / NEW STANDARD	RESOURCES
New Section PS 3400, <i>Revenue</i>	<ul style="list-style-type: none"> <li>• <a href="#">PSAB at a Glance: Section PS 3400, Revenue</a></li> </ul>
New Section PSG 8, <i>Purchased Intangibles</i>	<ul style="list-style-type: none"> <li>• <a href="#">PSAB at a Glance: PSG-8, Purchased Intangibles</a></li> </ul>
New Section PS 3160, <i>Public Private Partnerships</i>	<ul style="list-style-type: none"> <li>• <a href="#">P3 Accounting: 1 New Standard, 2 Sectors, and the Public-Private Repercussions</a></li> <li>• <a href="#">PSAB at a Glance: Section PS 3160, Public Private Partnerships</a></li> </ul>

## Standards Effective April 1, 2026

### Revised Conceptual Framework

In 2010, the Board decided to undertake a project to review and update the conceptual framework for the PSA Handbook to ensure it is still relevant and that it properly reflects and is grounded in the public sector environment. The conceptual framework guides the Board as it develops new standards or amends existing ones. In developing the revised conceptual framework, the Board sought feedback from stakeholders through three Consultation Papers, a Statement of Concepts and an Exposure Draft. The revised conceptual framework was approved by the Board in June 2022. It will replace the existing conceptual framework, which consists of Section PS 1000, *Financial Statement Concepts*, and Section PS 1100, *Financial Statement Objectives*. The revised conceptual framework includes the following 10 chapters:

- Introduction to the Conceptual Framework - this chapter defines the conceptual framework and outlines the needs and objectives.
- Characteristics of Public Sector Entities - This chapter builds upon and replaces Appendix A - *Unique Characteristics of Government* in existing Section PS 1100. Identifying the characteristics of public sector entities will result in concepts and standards appropriate to the public sector.
- Financial Reporting Objective - This chapter identifies the primary users as the public and its elected or appointed representatives. It also identifies the financial reporting objectives as the need to provide information for accountability purposes and the broad financial reporting accountabilities.
- Role of Financial Statements - This chapter creates a link between financial reporting and financial reporting in financial statements.
- Financial Statement Foundations - This chapter clearly identifies the foundations that currently underlie the existing conceptual framework.
- Financial Statement Objectives - This chapter builds upon and revise the objectives of existing Section PS 1100.

- Financial Statement Information - This chapter establishes the qualitative characteristics of financial information and considerations for including this information in the financial statements.
- Elements of Financial Statements - This chapter defines the four elements in the financial statements: assets, liabilities, revenues, and expenses.
- Recognition and Measurement in Financial Statements - This chapter covers the general recognition and measurement criteria. The concepts here remain unchanged from the existing conceptual framework.
- Presentation Concepts for Financial Statements - This chapter includes some presentation concepts from Section PS 1201, *Financial Statement Presentation*, as well as new presentation concepts to promote the preparation of understandable financial statements.

The revised conceptual framework will be effective for fiscal years beginning on or after April 1, 2026, with earlier adoption permitted. The conceptual framework is to be applied prospectively.

### New Reporting Model

Related to PSAB's recent approval of the revised Conceptual Framework discussed above, the Board has also been working on the development of a new reporting model. The Board considered the relative merits of many reporting models, as well as, feedback from stakeholders and has approved the issuance of new Section PS 1202, *Financial Statement Presentation*, which will build upon existing Section PS 1201 of the same name, to better respond to the need for understandable financial statements. The new reporting model will consist of:

- A Statement of Financial Position - The net debt indicator will be relocated to its own statement (see below), and liabilities will be separated into financial and non-financial categories. The statement will also be restructured to present total assets, then total liabilities to arrive at the net assets or net liabilities indicator. A new third component "accumulated other" would also be added to net assets/liabilities.
- A Statement of Net Financial Assets (Net Financial Liabilities) - This new statement will display a revised calculation of net debt. A net financial asset position means there are financial assets available to provide services in the future and to settle future financial liabilities. A net financial liability position means there is a need for additional financial assets to aid in settling past financial liabilities, it reflects the entity's ability to finance activities, provide services or settler financial liabilities in the future. There will also be an option to present the net financial assets/liabilities indicator at the bottom of the statement of financial position.
- A Statement of Operations - There are no changes to this statement from what is currently required under existing Section PS 1201.
- A Statement of Changes in Net Assets (Net Liabilities) - This is a new statement that will show a reconciliation between the opening and closing balances of each component of net assets or net liabilities. This statement will allow the entity to be transparent about which revenues and expenses are recognized in surplus or deficit and those that are recognized directly in a component of net assets or net liabilities.

- A Statement of Cash Flow - Financing activities will be separated from other items on the cash flow statement. This will allow the statement to highlight net cash before financing activities to show whether all of an entity's other activity combined resulted in the need to raise cash through financing activities.
- Accompanying Notes and Schedules.

There will also be new budget requirements including presentation of budget figures using the same basis of accounting, accounting principles, scope of activities and classifications as the actual amounts. As well as, an acknowledgement on the face of the statements where an actual-to-budget comparison could not be completed.

The Board approved new Section PS 1202 in March 2023 and it is expected to be issued in the PSA Handbook in October 2023. The new standard, along with related consequential amendments, will be effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted if the entity adopts the revised Conceptual Framework at the same time. PSAB plans to issue plain-language and other non-authoritative guidance in the future to help stakeholders better understand the requirements of this new standard.

## The Future of PSAS

The PSAB also has a number of projects on the go which seek to improve public sector standards to better meet stakeholder needs both now and in the future. The following provides a brief overview of these projects.

### Exposure Draft – Employment Benefits

A project on employee benefits was identified as a top priority in PSAB's 2014 Project Priority Survey. The project is needed as new types of pension plans have been introduced and there have been changes in the related accounting concepts since existing Sections PS 3250, *Retirement Benefits*, and Section PS 3255, *Post-employment Benefits, Compensated Absences and Termination Benefits*, were issued many years ago.

The Board issued an Exposure Draft in July 2021 proposing to replace these two existing standards with new Section PS 3251, *Employee Benefits*. The principles in IPSAS 39, *Employee Benefits*, were used as the starting point in developing this guidance. This Exposure Draft is the first phase of PSAB's multi-phase approach to this project. The focus in this phase is on deferral provisions and discount rate guidance. In future phases, the Board will focus on developing guidance for accounting for non-traditional pension plans and other issues.

The main highlights of the Exposure Draft are as follows:

- Deferral Provisions
  - For actuarial gains and losses, the deferral and amortization approach would no longer be used.
  - Revaluations of the net defined benefit liability (asset) which, include actuarial gains and losses, are recognized immediately on the statement of

financial position within the net defined benefit liability (asset) and accumulated other component of net assets.

- These revaluations would not be reclassified to surplus or deficit in a subsequent period.
  - Plan assets would be measured at market value.
- **Discount Rate**
    - The discount rate used would depend on the funding status of the plan.
    - For a fully funded plan where the projected balance of plan assets exceeds projected benefit payment obligations for all project periods, the discount rate used would be the expected market-based return on plan assets.
    - For an unfunded plan where the projected balance of plan assets does not exceed projected benefit payment obligations for any projected period, the discount rate used would be the provincial governments bond rate.
    - Lastly, for partially funded plans where the projected balance of plan assets exceeds projected benefit periods for fewer than all projected periods, the discount rate would be a single discount rate that reflects the fully funded rate for periods where the balance of plan assets is projected to be greater than or equal to projected benefit payments and the unfunded rate for all other periods.
  - **Other Proposed Changes**
    - The net interest on the net defined benefit liability (asset) would be determined by multiplying the net defined benefit liability (asset) by the rate used to discount the post employment benefit obligation.
    - Minor modifications to the guidance for joint defined benefit plans including changing legal terminology to accounting terminology by replacing references to “sponsors” with “participating entities” and directing entities to use multi-employer plan guidance.
    - More detailed disclosure requirements.

The proposed standard would have an effective date of April 1, 2026, and would require retroactive transition. The Board is currently working through significant feedback it received on the above proposals and determining next steps.

### Exposure Draft – 2022-2023 Annual Improvements

The PSAB has adopted an annual improvement process to correct errors in the wording or provide clarifications to the PSA Handbook. In August 2022, the Board issued its 2022-2023 Annual Improvements Exposure Draft proposing the following changes:

- Replace the term “summary financial statements” with “financial statements” or “financial reports”.
- Clarify the Introduction to Public Sector Guidelines and remove outdated guidance related to local governments.

- Update the transitional provisions in Section PS 3160, *Public Private Partnerships*, to explicitly state that early adoption is permitted.
- Change some references to the term “power” to “ability” or “authority” as appropriate, given the use of the term “power” to reference sovereign or equivalent powers in Chapter 5 of the revised conceptual framework.
- Update Section PS 3050, *Loans Receivable*, to address grammatical errors in the decision tree.
- Update PSG 8, *Purchased Intangibles*, to clarify its application to inter-entity transactions.
- Update the designation and numbering of existing appendices in the PSA Handbook to align with categories established by IPSAS; and
- Update the terminology in many standards from “government” to “public sector entity” or “entity” as appropriate.

In December 2022, the PSAB approved the majority of the changes (all except for the last two changes listed above as based on feedback received from constituents it was determined these changes were beyond the scope of an annual improvement). The final Handbook amendments will be published in two phases:

- On April 1, 2023, the amendments to allow early adoption of Section PS 3160, *Public Private Partnerships*, and clarify the application of PSG-8, *Purchased Intangibles*, to inter-entity transactions were issued and became effective.
- The remainder of the amendments will be published in late 2023, with an effective date of the first day of the month published.

### Government Not-for-Profit Strategy

While developing its 2017-2021 Strategic Plan, the Board signaled its intent to assess the specific needs of government not-for-profit organization (GNFPO) stakeholders and to assess if there is a need for some public sector accounting standards to apply differently to this particular group. The Board issued Consultation Papers in 2019 and 2021 seeking stakeholder feedback on the trends and needs in the GNFPO sector and the potential options as it relates to the future of the PS 4200 series of standards. As a result of the feedback received on these Consultation Papers the Board decided that the best option going forward is to incorporate the PS 4200 series of standards into the PSA Handbook with potential customizations. This will involve the Board undertaking a series of standard-level projects to review the PS 4200 series to determine which standards will be included.

At its December 2022 meeting, the Board approved the first project which encompasses a review of Section PS 4230, *Capital Assets held by Not-for-Profit Organizations*, and Section PS 4240, *Collections held by Not-for-Profit Organizations*, to determine what amendments should be proposed to Section PS 3150, *Tangible Capital Assets*. The Board is currently developing an Exposure Draft on the proposed changes which is expected to be issued for comment in 2024.

We would encourage GNFPs to stay up to date on this project and watch for the capital assets Exposure Draft, which will be available on the [government not-for-profit - capital assets project page](#) of the FRAS Canada website, and provide their feedback on the Board's proposals.

## Public Sector Accounting Discussion Group

The Public Sector Accounting Discussion Group (PSADG) is a regular public forum at which issues arising on the application of the PSA Handbook can be discussed. The group meets two times a year and consists of members that include preparers, auditors, and users of government and government organization financial reports. The group's purpose is to assist the Board regarding issues arising on the application of the PSA Handbook and other areas of concern regarding public sector financial reporting, including emerging issues and issues on which the Board seeks advice. While the group does not issue any authoritative guidance or interpretations, as only the Board has the ability to do so, the group's meeting summaries provide meaningful insights on the application of the standards that can be used as a resource. These meeting summaries are available on the FRAS Canada website or by clicking [here](#). During the group's November 2022 and June 2023 meetings, the following topics were discussed:

- **Accounting for Carbon Credits** - Discussion on whether carbon credits meet the definition of an asset in PSAS, what type of asset and what recognition standards apply.
- **Presentation of Certain Items on the Statement of Cash Flows** - Discussion on how public sector entities should present cash flows related to public private partnership arrangements and asset retirement obligations, as well as, whether restricted cash should be included in cash and cash equivalents on the statement of cash flows.
- **Cloud Computing: Accounting for Implementation Costs** - Discussion on whether implementation costs incurred by a public sector entity related to a cloud computing arrangement that is a service arrangement should be capitalized or expensed under PSAS.
- **Cloud Computing: Accounting for Implementation Costs in the Context of a Government Partnership:** - Discussion on how individual partners should account under PSAS for the implementation costs they incur as a result of a cloud computing arrangement that is a service arrangement in the context of a government partnership.
- **Canadian Economic Overview and Potential Impacts to the Public Sector** - Discussion of recent economic trends and consideration of the potential impacts to the Canadian public sector. As well as, discussion of the impacts of rising inflation and the economic environment on financial reporting.



- **Auditors Reporting on Going Concern** - Discussion of the Canadian Auditing and Assurance Standards Board's Exposure Draft on Going Concern<sup>1</sup> and potential public sector implications and the interaction of the proposals with the new guidance on going concern that has recently been added to PSAS's revised Conceptual Framework.

We would encourage public sector entities to keep up to date on topics discussed at these meetings.

## Conclusion

As we head closer to the end of the year, now is the time to discuss with your BDO advisor how the changes made, and the proposed changes to the PSA Handbook will affect your organization. Reach out to us today.

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<sup>1</sup> The Canadian AASB Exposure Draft on Going Concern is based on the International Auditing and Assurance Standards Board's Exposure Draft "Proposed International Standards on Auditing 570 (Revised 202X) Going Concern and Proposed Conforming and Consequential Amendments to other ISAs". ISAs are adopted in Canada as Canadian Auditing Standards.



Health and well-being for all

Compassion | Quality | Safety | Integrity

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

December 7, 2023

Dear Mr. MacLean:

**RE: CAPITAL FUNDING REQUEST FOR THE 2024/25 FISCAL YEAR**

Please find enclosed our annual funding request for Interior Health's (IH) next fiscal year for your review. It is based on IH's 2024/25 capital budget, which has been approved by our Board. The budget is developed by prioritizing identified capital needs throughout our organization with our physicians and staff within the context of the Capital Investment Strategic Framework, and we look forward to sharing the details with you and answering any questions you may have.

We are continuing to focus on quality and safety standards in our capital expenditure, seeking to limit service downtime with replacements of clinical equipment, and ensuring continuity of service through replacement of key infrastructure, such as fire alarm systems and medical gas outlets. IH is also seeking to improve our resilience in the face of climate change, replacing end of life emergency generators and increasing the capacity of heating, air conditioning and ventilation systems. We have aligned our capital budget with our strategic service priorities, focusing on primary care through Urgent and Primary Care Centres and Mental Health & Substance Use, and prioritizing safety initiatives, and surgical and diagnostic services with much needed equipment.

Finally, we are maintaining the technology which forms the backbone of our work and expanding patient-facing initiatives such as digital booking.

Without these investments we risk further breakdowns and service interruptions with the real patient impact that such disruptions bring. We also risk being unable to manage our climate related emergencies and the loss of power, heat and cooling to our sites, particularly our Long-term Care sites, is an untenable risk. Lastly, lack of investment in technology, including clinical support technology in areas such as Medical Imaging or Pharmacy as well as corporate and patient facing digitization opportunities would leave us further behind in our ability to address clinical demands and meet patient and community expectations.

For the 2024/25 fiscal year we are requesting funding from your Regional Hospital District (RHD) for the following projects and equipment. Please note that all capital initiatives over \$100,000 are subject to government approval.

**1. Construction Projects over \$100,000**

**a. Generator & Switchgear Replacement at Pleasant Valley Manor, Armstrong**

This facility currently has a 22-year-old generator that does not meet the emergency power requirements for the campus during a power failure. The scope of this project will be to replace the existing generator, automatic transfer switch, and portions of the primary and secondary distribution in order to supply the entire site with the required emergency power.

This project was included in a prior funding request letter with a total budget of \$950,000, of which your RHD approved funding with bylaw #78 in the total amount of \$380,000. Due to updated regulatory requirements, an equipment upgrade was needed to meet new load testing

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requirements. We require a budget increase of \$144,500 and ask your RHD to contribute 40% in the total amount of \$57,800.

**b. High Acuity Unit/Critical Care Unit at Shuswap Lake General Hospital, Salmon Arm**

The Critical Care Unit's existing space is small and does not meet current standards for critical care. The unit was comprised of a series of open treatment bays that were enclosed by temporary walls during the COVID pandemic to create two pressurized rooms. These temporary walls remain in place. The unit needs expansion and renovation into adjacent space to meet demands and to comply with safe practice. This project will provide a business plan to support the phased expansion and renovation proposed confirming anticipated impacts including capital and operating costs.

**c. Primary Care Expansion, Vernon**

IH intends to develop additional primary care services in Vernon. The project will include the renovation and equipping of space to support improved patient access to primary care services.

**d. Generator & Distribution Upgrade at Polson Extended Care on Vernon Jubilee Hospital Campus, Vernon**

The project is to upgrade old and obsolete electrical main service equipment at the Polson Extended Care Unit located at the Vernon Jubilee Hospital. The scope of work includes replacement of the existing emergency generator, automatic transfer switch, main breaker, transformer, and other elements. Allowances are also made for temporary power, feeder modifications, testing, commissioning and any required modifications to the existing building in order to facilitate this upgrade.

**e. Heat Recovery Chiller at Vernon Jubilee Hospital, Vernon**

This project is to install a net-new heat recovery chiller, integrated with existing systems. A heat recovery chiller simultaneously provides heating and cooling to the facility. This will significantly increase energy efficiency and reduce greenhouse gas emissions. The increased heating and cooling capacity will also improve system resiliency, ensuring the facility can maintain comfortable conditions for occupants, as extreme weather events have become more common.

**f. Second Secure Room at Vernon Jubilee Hospital, Vernon**

This project will develop a second secure room at Vernon Jubilee Hospital. Patients who report to the emergency department and need to be admitted to an inpatient psychiatry bed may need to wait for a vacant bed. Admitting these patients to a seclusion room reduces the time they spend waiting in emergency departments and helps ensure they have access to appropriate care in a timely manner while reducing safety risks for staff and other emergency department patients.

**2. Construction Project under \$100,000**

**Medical Air Distribution System Upgrade at Shuswap Lake General Hospital, Salmon Arm**

Unlike other piped medical gases that are typically delivered to hospitals in cylinders, medical air is most often manufactured on-site. This is accomplished by pulling outside air into a medical air compressor that is connected to the piping system feeding the facility. The compressors at this site are past their useful life and if this system was to fail then it could impact patient care at this facility. The scope of work is to replace the medical air compressors, dryers, receivers and piping where required within the medical air distribution system.

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### 3. IH-Wide Digital Health

The ongoing advancement of the IH digital platform is a key enabler of IH's ability to support health service operations, enable key strategies, improve quality and patient safety and incorporate innovation to improve effectiveness and efficiency.

This year's Digital Health Investment Plan includes continued advancements for Primary Care, implementation of technology to allow IH citizens to book and manage their own Medical Imaging appointments, and expansion and improvement of infrastructure to minimize exposure to cyber attacks. Digital Health resources are key enablers of Primary Care transformation through expansion of patient Electronic Medical Record implementations, now in year 5 of a multi-year project.

Digitizing the booking process will enable patients to book X-ray appointments online at their convenience through MyHealthPortal, creating administrative efficiencies, reducing the risk of lost paper requisitions, enabling faster booking of appointments, and improving the patient experience.

Infrastructure expansions will establish network diversity at IH sites thereby improving our ability to maintain network connectivity during wildfires, floods, or other emergencies and will provide additional capacity to more efficiently access cloud based services. This project will significantly improve the resiliency and capacity of IH hospitals' connectivity to our datacenter and cloud resources. In addition, server capacity expansion and upgrades will refresh end of life infrastructure that hosts IH files to mitigate the risk of extended service outages.

This project is an IH-wide initiative costing approximately \$12.7 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 2022, 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. 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. Medstation - Additional for Shuswap Lake General Hospital, Salmon Arm

Automated Dispensing Cabinets (ADC) for medications were first introduced in IH in 2006. This technology has brought improvements in patient safety and workflow that has been well supported by both nursing and pharmacy staff. This purchase of an ADC is additional to our current inventory of medstations and replaces manual drug distribution. This purchase includes renovations and associated digital health hardware and software.



#### b. Monitoring System, Physiological for Vernon Jubilee Hospital, Vernon

A Physiological Monitoring System consists of bedside monitors connected to a central system and the patient. This system continuously monitors the patient's electrocardiogram, blood pressure, temperature, and blood oxygen levels among other vital signs. This information is sent to a central system, which



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displays all of the 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. The new system will replace a 2011 unit in the emergency department.

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

We are requesting global funding for equipment under \$100,000.

A financial summary of our funding requests is provided in Appendix 1. We would appreciate it if you could submit these requests to your Board for consideration. Please advise us of the meeting date when they will be discussed to enable us to have IH representatives attend and to answer questions that may arise. If the requests should receive approval, please send Cindy Rephin, Corporate Director, Capital Finance & Controller 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, Corporate Director, Business Operations or me directly.

Sincerely,



Sylvia Weir  
CFO & VP Corporate Services

/at

Encl. Appendix 1 ~ Summary of Regional Health District Funding Request for 2024/25

cc: Kevin Acton, Chair, NOCSRHD  
Jodi Pierce, Chief Financial Officer, NOCSRHD

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**Interior Health**  
**North Okanagan Columbia Shuswap**  
**Summary of Regional Hospital District**  
**Funding Request**  
**for 2024/25**

Facility	Location	Project/Equipment Description	Total Budget	RHD Share	Previous RHD Approval		2024/25 Funding Request
					Amount	B/L #	
<b><u>Construction Projects over \$100,000</u></b>							
Pleasant Valley Manor	Armstrong	Generator & Switchgear Replacement	\$ 1,094,500	\$ 437,800	\$ 380,000	78	\$ 57,800
Shuswap Lake General Hospital	Salmon Arm	High Acuity Unit/Critical Care Unit	250,000	100,000			\$ 100,000
TBD	Vernon	Primary Care Project	5,000,000	2,000,000			\$ 2,000,000
Polson Extended Care	Vernon	Generator & Distribution Upgrade	2,083,450	833,380			\$ 833,380
Vernon Jubilee Hospital	Vernon	Heat Recovery Chiller	5,030,400	2,012,160			\$ 2,012,160
Vernon Jubilee Hospital	Vernon	Second Secure Room	1,038,825	415,530			\$ 415,530
<b><u>Construction Project under \$100,000</u></b>							
Shuswap Lake General Hospital	Salmon Arm	Medical Air Distribution System Upgrade	75,000	30,000			\$ 30,000
<b><u>IH-Wide Digital Health</u></b>							
Regional		Various	2,139,750	855,900			\$ 855,900
<b><u>Equipment over \$100,000</u></b>							
Shuswap Lake General Hospital	Salmon Arm	Medstation - Additional	88,000	35,200			\$ 35,200
Vernon Jubilee Hospital	Vernon	Monitoring System, Physiological	963,600	385,440			\$ 385,440
<b><u>Equipment under \$100,000 (Global Grant)</u></b>							
All Facilities		Equipment under \$100,000	1,792,500	717,000			\$ 717,000
<b>TOTAL</b>			<b>\$ 19,556,025</b>	<b>7,822,410</b>	<b>\$ 380,000</b>		<b>\$ 7,442,410</b>



# NOCSRHD BOARD REPORT

**TO:** Chair and Directors

<b>File No:</b> 8900 42
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**SUBJECT:** 2024 Five Year Financial Plan

**DESCRIPTION:** Report from Jodi Pierce, General Manager, Financial Services, dated January 18, 2024. For information and consideration.

**RECOMMENDATION:** THAT: the Board approve a 2.0% tax increase for the 2024 tax year.

## SHORT SUMMARY:

Staff have received the Interior Health Authority 2024/2025 Capital Request letter dated December 8, 2023 and have drafted a proposed budget for consideration.

## BACKGROUND:

On December 8, 2023, the North Okanagan Columbia Shuswap Regional Hospital District received the 2024/2025 annual capital requests from the Interior Health Authority (included on the agenda). This document detailed a request in the amount of \$7,442,410 (2023 - \$7,113,000). Based on this funding request, staff have recommended a 2.0% increase to taxes for the 2024 taxation year. A 2.0% increase will allow a contribution to reserves of approximately \$1,750,000 for the significant projects that have been discussed and are in various stages of planning and conceptualization. This represents an increase of \$6.40 to the average residential taxpayer based on the average residential property assessment of \$632,966. Staff feel that this a prudent, responsible position to take knowing that there could be significant projects in the next few years.

## POLICY:

In accordance with the Hospital District Act, the 2024-2028 Five Year Financial Plan must be approved by March 31, 2024. The current option has been provided using the 2024 Completed Roll for assessment purposes.

## FINANCIAL:

Should the Board support the 2.0% tax increase, there would be an increase of \$6.40 on the average residential taxpayers other than those whose assessments vary significantly from the average residential assessment of \$632,966 (2023 - \$622,495) as the mill rate would increase slightly from \$.2370/\$1,000 in 2023 to approximately \$.2421/\$1,000 in 2024.

## DESIRED OUTCOMES:

That the Board support the staff recommendation to have a 2.0% tax increase for the 2024 tax year.

## BOARD'S OPTIONS:

1. *Endorse the Recommendation.*
2. *Deny the Recommendation.*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*



**Report Approval Details**

Document Title:	2024-01-23_NOCSRHD_FIN 2024 Five Year Financial Plan Draft .docx
Attachments:	- Status of Projects - 2024.pdf - 2024 Budget Planning Worksheet.pdf
Final Approval Date:	Jan 19, 2024

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



Jennifer Sham

**No Signature - Task assigned to John MacLean was completed by assistant Jennifer Sham**

John MacLean

**North Okanagan Columbia Shuswap Regional Hospital District  
Status of Hospital District Approved & Proposed Projects for 2024/2025 as at December 31 2023**

Facility	Project/Equipment	Budget Category	Total Cost	RHD Cost	Expended in Prior Year(s)	Expended in Current Year	Total Expended	Project
<b>A - Completed Projects per IHA - closed projects at March 31, 2023 - not yet received</b>								
<u>Regional</u>								
			\$ -	\$ -	-	\$ -	\$ -	

<b>B - Fully Funded Projects per NOCSRHD but not officially closed by IHA</b>								
Queen Victoria, Revelstoke								
Shuswap Lake, Salmon Arm								
	Pharmacy Renovation	Const over \$100K	\$ 1,080,000	\$ 432,000	432,000.00		432,000.00	2019 Budget 73
Vernon Jubilee								
	Psychiatric Unit 3N Redesign	Const over \$100K	\$ 150,000	\$ 60,000	60,000.00		60,000.00	2021 Budget 78
	Psychiatric Unit 3N Redesign (add'l funding)	Const over \$100K	\$ 23,000	\$ 9,200	9,200.00		9,200.00	2022 Budget 81
							-	
Global Grant	Equipment between \$5,000 and \$100,000	Global	\$ 1,663,750	\$ 665,500		665,500.00	665,500.00	2023 Budget 83
	<b>Sub-total</b>		<b>\$ 2,916,750</b>	<b>\$ 1,166,700</b>	<b>501,200.00</b>	<b>\$ 665,500.00</b>	<b>\$ 1,166,700.00</b>	

**C - In Progress Projects**

Queen Victoria, Revelstoke								
	Emergency Generator	Const over \$100K	\$ 4,950,000	\$ 1,980,000	820,521.27	9,709.26	830,230.53	2019 Budget 73/74
	Access Control Enhancement	Const under \$100K	\$ 75,000	\$ 30,000	-		-	2021 Budget 78
	Security Camera Upgrade (Mount Cartier Court)	Const under \$100K	\$ 74,000	\$ 29,600	-		-	2021 Budget 78
	Chemistry Analyzer	Equip over \$100K	\$ 102,000	\$ 40,800	-	38,251.54	38,251.54	2022 Budget 81
	Chiller Replacement	Const over \$100K	\$ 1,074,000	\$ 429,600			-	2023 Budget 83
	OR Lights	Equip	\$ 859,000	\$ 343,600			-	2023 Budget 83

**North Okanagan Columbia Shuswap Regional Hospital District  
Status of Hospital District Approved & Proposed Projects for 2024/2025 as at December 31 2023**

Facility	Project/Equipment	Budget Category	Total Cost	RHD Cost	Expended in Prior Year(s)	Expended in Current Year	Total Expended	Project	
<b>C - In Progress Projects (cont'd)</b>									
Shuswap Lake General, Salmon Arm									
	Operating Room Doors and Access System	Const under \$100K	\$ 85,000	\$ 34,000	28,277.42	3,776.24	32,053.66	2020 Budget	76
	Pharmacy Renovation (additional funding)	Const over \$100K	\$ 1,450,000	\$ 580,000	438,662.88	141,337.12	580,000.00	2021 Budget	78
	CT Scanner	Equip	\$ 2,509,000	\$ 627,250	477,124.03	125,536.76	602,660.79	2021 Budget	78
	Mammography Unit	Equip	\$ 1,938,000	\$ 484,500	-	484,500.00	484,500.00	2021 Budget	78
	Inpatient Care Services - Planning	Const over \$100K	\$ 1,000,000	\$ 400,000	-	36,239.99	36,239.99	2022 Budget	81
	Monitoring System, Physiological	Equip	\$ 159,000	\$ 63,600	-	63,600.00	63,600.00	2022 Budget	81
	Physiological Monitoring System (add'l funding)	Equip	\$ 40,000	\$ 16,000	-	13,045.37	13,045.37	2023 Budget	83
	Hot Water Loop Upgrade	Const over \$100K	\$ 460,250	\$ 184,100	-	92,045.56	92,045.56	2023 Budget	83
	MDR Storage Upgrades	Const under \$100K	\$ 85,000	\$ 34,000	-	-	-	2023 Budget	83
	Medstations, Additional	Equip	\$ 198,000	\$ 79,200	-	-	-	2023 Budget	83
	Steam Sterilizer	Equip	\$ 192,000	\$ 76,800	-	-	-	2023 Budget	83
-									
Vernon Jubilee									
	Ortho Templating Software for Surgical Efficiency	IMIT	\$ 74,000	\$ 29,600	23,647.89	-	23,647.89	2019 Budget	73
	Medstations, IH Wife Pyxis Replacement, Phase 4	Equip	\$ 2,939,000	\$ 1,175,600	941,201.49	4,311.60	945,513.09	2019 Budget	73
	Chemistry Analyzer	Equip over \$100K	\$ 145,000	\$ 58,000	-	58,000.00	58,000.00	2015 Budget	62
	Integrated Chemistry/Immunochemistry Analyzer (add'l in Equip	Equip	\$ 322,000	\$ 70,800	-	19,985.06	19,985.06	2017 Budget	66
	North Tower Electrical Primary Distribution - Planning	Const over \$100K	\$ 75,000	\$ 30,000	10,756.30	-	10,756.30	2020 Budget	76
	CT Scanner	Equip	\$ 2,859,000	\$ 1,143,600	977,671.57	46,848.03	1,024,519.60	2020 Budget	76
	Electrical Infrastructure Upgrade - Phase 1	Const over \$100K	\$ 3,500,000	\$ 1,400,000	-	66,965.85	66,965.85	2021 Budget	78/79
	Inpatient Psychiatry Redesign - Concept Plan	Const over \$100K	\$ 700,000	\$ 280,000	86,371.03	1,490.17	87,861.20	2021 Budget	78
	Remote Patient Observation System (Telesitter)	IMIT	\$ 285,000	\$ 114,000	-	-	-	2021 Budget	78
	Meal Delivery System	Equip	\$ 1,430,000	\$ 572,000	256,813.43	57,979.75	314,793.18	2021 Budget	78
	Autopsy Suite Upgrade	Const over \$100K	\$ 5,500,000	\$ 2,200,000	-	-	-	2022 Budget	81
	Elevator Upgrade	Const over \$100K	\$ 350,000	\$ 140,000	-	-	-	2022 Budget	81
	Medstation - Additional	Equip	\$ 97,000	\$ 38,800	-	-	-	2022 Budget	81
	Cooler and Freezer upgrades	Const over \$100K	\$ 1,479,000	\$ 591,600	-	-	-	2023 Budget	83
	MHSU Business Plan	Const over \$100K	\$ 800,000	\$ 320,000	-	-	-	2023 Budget	83
	Secure Room Safety Upgrade	Const over \$100K	\$ 518,000	\$ 207,200	-	-	-	2023 Budget	83
	Domestic Hot Water	Const over \$100K	\$ 236,250	\$ 94,500	-	-	-	2023 Budget	83
	MRI Scan Suite Humidity	Const under \$100K	\$ 99,000	\$ 39,600	-	-	-	2023 Budget	83
	Equipment Management System	Equip	\$ 1,942,750	\$ 777,100	-	-	-	2023 Budget	83
	Cart Washer	Equip	\$ 340,000	\$ 136,000	-	128,027.87	128,027.87	2023 Budget	83
-									

**North Okanagan Columbia Shuswap Regional Hospital District**  
**Status of Hospital District Approved & Proposed Projects for 2024/2025 as at December 31 2023**

Facility	Project/Equipment	Budget Category	Total Cost	RHD Cost	Expended in Prior Year(s)	Expended in Current Year	Total Expended	Project	
<b>C - In Progress Projects, continued</b>									
<u>Regional</u>									
Regional	IH Wide IMIT	IMIT - 18/19	\$ 3,274,000	\$ 1,309,600	967,863.68	2,131.48	969,995.16	2018 Budget	71
Shuswap Community Care Services	Leasehold Improvements-Reno/Expansion/Relocation	Const over \$100K	\$ 600,000	\$ 240,000	23,311.68	216,688.32	240,000.00	2019 Budget	73
Shuswap Community Care Services	Leasehold Improvements-Renovation and Expansion	Const over \$100K	\$ 1,800,000	\$ 720,000	-	469,907.14	469,907.14	2021 Budget	78
Shuswap Community Care Services	Leasehold Improvements (add'l funding)	Const over \$100K	\$ 1,300,000	\$ 520,000	-	-	-	2023 Budget	83
Regional	IH Wide IMIT	IMIT - 19/20	\$ 1,608,000	\$ 643,200	490,347.33	26,349.66	516,696.99	2019 Budget	73
Various	Laboratory Middleware	Equip	\$ 205,750	\$ 82,300	-	82,300.00	82,300.00	2019 Budget	73
Various	Laboratory Middleware (add'l funding)	Equip	\$ 391,000	\$ 156,400	-	62,942.74	62,942.74	2022 Budget	81
Bastion Place	Generator Replacement	Const over \$100K	\$ 1,200,000	\$ 480,000	248,932.66	70,822.54	319,755.20	2020 Budget	76
Regional	IH Wide IMIT	IMIT - 20/21	\$ 1,615,250	\$ 646,100	533,486.25	8,190.42	541,676.67	2020 Budget	76
Pleasant Valley Manor	Generator & Switchgear Replacement	Const over \$100K	\$ 950,000	\$ 380,000	16,274.39	150,470.02	166,744.41	2021 Budget	78
TBD	Long-term Care Facility - Business Plan	Const over \$100K	\$ 400,000	\$ 160,000	-	-	-	2021 Budget	78
Noric House	Fire Panel Upgrade	Const under \$100K	\$ 95,000	\$ 38,000	37,352.62	-	37,352.62	2021 Budget	78
Regional	IH Wide IMIT	IMIT - 21/22	\$ 2,134,750	\$ 853,900	219,653.44	241,339.17	460,992.61	2021 Budget	78
VGH/SLGH	3 Ultrasound Machines (repl. 2013 machines)	Equip	\$ 567,000	\$ 226,800	218,497.92	-11,804.40	206,693.52	2021 Budget	78
Bastion Place	Chiller	Const over \$100K	\$ 770,000	\$ 308,000	39,593.63	268,406.37	308,000.00	2022 Budget	81
Bastion Place	Chiller Replacement (add'l funding)	Const over \$100K	\$ 289,000	\$ 115,600	-	40,442.39	40,442.39	2023 Budget	83
Gateby Care Centre	Air Handling Unit	Const under \$100K	\$ 85,000	\$ 34,000	-	-	-	2022 Budget	81
Bastion Place	Loading Dock Upgrade	Const under \$100K	\$ 80,000	\$ 32,000	-	28,186.92	28,186.92	2022 Budget	81
Regional	IH Wide IMIT	IMIT - 22/23	\$ 1,624,250	\$ 649,700	-	439,392.14	439,392.14	2022 Budget	81
Granville Building - Enderby	Bus for Adult Day Care	Equip	\$ 123,000	\$ 49,200	-	-	-	2022 Budget	81
Pleasant Valley Manor	Chiller and Cooling Tower Replacement	Const over \$100K	\$ 1,096,000	\$ 438,400	-	-	-	2023 Budget	83
Parkview Place	Chiller Replacement	Const over \$100K	\$ 500,000	\$ 200,000	-	-	-	2023 Budget	83
Shuswap Lab Services	Leasehold Improvements (add'l funding)	Const over \$100K	\$ 990,000	\$ 396,000	-	-	-	2023 Budget	83
Gateby Care Centre	Boiler Upgrade	Const over \$100K	\$ 767,000	\$ 306,800	-	-	-	2023 Budget	83
Noric House	Elevator Upgrade	Const over \$100K	\$ 338,500	\$ 135,400	-	-	-	2023 Budget	83
Parkview Place	Heat Trace for Gutters	Const under \$100K	\$ 90,000	\$ 36,000	-	-	-	2023 Budget	83
Bastion Place	Upgrade to Front Entrance	Const under \$100K	\$ 85,000	\$ 34,000	-	-	-	2023 Budget	83
Regional	IH-Wide IMIT 23/24	IMIT	\$ 2,340,000	\$ 936,000	-	-	-	2023 Budget	83
<b>Prior Year Projects - Sub-total</b>			<b>\$ 64,259,750</b>	<b>\$ 24,978,850</b>	<b>\$ 6,856,360.91</b>	<b>\$ 3,487,415.08</b>	<b>\$ 10,343,775.99</b>		



**North Okanagan Columbia Shuswap Regional Hospital District  
Status of Hospital District Approved & Proposed Projects for 2024/2025 as at December 31 2023**

Facility	Project/Equipment	Budget Category	Total Cost	RHD Cost	Expended in Prior Year(s)	Expended in Current Year	Total Expended	Project
<b>D - New Projects for 2022/2023</b>								
Queen Victoria, Revelstoke								
Shuswap Lake General, Salmon Arm								
	High Acuity Unit/Critical Care Unit	Const over \$100K	\$ 250,000	\$ 100,000				
	Medical Air Distribution System	Const under \$100K	\$ 75,000	\$ 30,000				
	Medstation - Additional	Equipment	\$ 88,000	\$ 35,200				
Vernon Jubilee								
	Heat Recovery Chiller	Const over \$100K	\$ 5,030,400	\$ 2,012,160				
	Second Secure Room	Const over \$100K	\$ 1,038,825	\$ 415,530				
	Monitoring System, Physiological	Equipment	\$ 963,600	\$ 385,440				
<u>Regional</u>								
Pleasant Valley Manor	Generator & Switchgear Replacement (add'l funding)	Const over \$100K	\$ 144,500	\$ 57,800				
TBD	Primary Care Project	Const over \$100K	\$ 5,000,000	\$ 2,000,000				
Polson Extended Care	Generator & Distribution Upgrade	Const over \$100K	\$ 2,083,450	\$ 833,380				
Various	Digital Health - 2024/25	IMIT	\$ 2,139,750	\$ 855,900				
Global Grant	Equipment between \$5,000 and \$100,000	Global	\$ 1,792,500	\$ 717,000				2024 Budget
<b>Sub-total</b>			<b>\$ 18,606,025</b>	<b>\$ 7,442,410</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>TOTAL</b>			<b>\$ 85,782,525</b>	<b>\$ 33,587,960</b>	<b>7,357,560.91</b>	<b>\$ 4,152,915.08</b>	<b>\$ 11,510,475.99</b>	

**NOCSRHD - 2024 Five Year Financial Plan - Cashflow Worksheet**

		Bylaw	Project Total	NOCSRHD Portion	Previously funded	2024	2025	2026	2027	2028		
<b>Minor Equipment</b>		Global Grant (estimated for 2025-2028)	\$ 1,792,500	\$ 717,000		717,000	752,850	790,493	830,017	871,518	annual	
<b>Capital Equipment</b>	<b>QVH</b>	Chemistry Analyzer	81	102,000	40,800	40,800					non start	
		OR Lights	83	859,000	343,600	38,252	305,348				to complete	
<b>Capital Projects</b>	<b>QVH</b>	Emergency Generator	73/74	\$ 4,950,000	\$ 1,980,000	830,231	59,400	174,533	174,533	174,533	174,533	Long term debt yet to be issued
		Access Control Enhancement	78	\$ 75,000	\$ 30,000		30,000					non start
		Security Camera Upgrade (Mount Cartier Court)	78	\$ 74,000	\$ 29,600		29,600					non start
		Chiller Replacement		1,074,000	\$ 429,600		429,600					non start
<b>Capital Equipment</b>	<b>VJH</b>	Chemistry Analyzer	62	\$ 145,000	\$ 58,000	58,000	-					to complete
		Integrated Chemistry/Immunochemistry Analyzer (a	65	\$ 322,000	\$ 128,800	19,985	70,800					to complete
		Medstations, IH Wife Pyxis Replacement, Phase 4	73	\$ 2,939,000	\$ 1,175,600	945,513	230,087					to complete
		Ortho Templating Software for Surgical Efficiency	73	\$ 74,000	\$ 29,600	23,648	5,952					to complete
		CT Scanner	76	\$ 2,859,000	\$ 1,143,600	1,024,520	119,080					to complete
		Remote Patient Observation System (Telesitter)	78	\$ 285,000	\$ 114,000	-	114,000					non start
		Meal Delivery System	78	\$ 1,430,000	\$ 572,000	314,793	257,207					to complete
		3 Ultrasound Machines - w/ SLGH (repl. 2013 mach	78	\$ 567,000	\$ 226,800	206,694	20,106					to complete
		Medstation - Additional	81	\$ 97,000	\$ 38,800		38,800					non start
		Equipment Management System	83	\$ 1,942,750	\$ 777,100		777,100					non start
		Cart Washer	83	\$ 340,000	\$ 136,000	128,028	7,972					to complete
		Monitoring System, Physiological		\$ 963,600	\$ 385,440		385,440					new 2024
<b>Capital Projects</b>	<b>VJH</b>	Construction Phase (25 Years) (1st half)	45*		-		1,268,857	1,268,857	1,268,857	1,268,857	1,268,857	Deb Issue 106 (25 Yr)
		Construction Phase (25 Years) (2nd half)	45*		-		1,269,166	1,269,166	1,269,166	1,269,166	1,269,166	Deb Issue 116 (25 Yr)
		Additional Floor (25 Years) (included above)	46*		-		435,690	435,690	435,690	435,690	435,690	Deb Issue 117 (25 Yr)
		Polson Tower Completion (15 years)	58*	\$ 29,563,000	\$ 5,525,000		290,220	290,220	290,220	290,220	290,220	Deb Issue 146 (15 Yr)
		MRI equipment and upgrade	67	\$ 7,100,000	\$ 2,840,000		222,970	222,970	222,970	222,970	222,970	Deb Issue 150 (15 Yr)
		North Tower Electrical Primary Distribution - Planni	76	\$ 75,000	\$ 30,000	10,756	19,244					to complete
		Electrical Infrastructure Upgrade - Phase 1	78/79	\$ 3,500,000	\$ 1,400,000	66,966	42,000	94,665	94,665	94,665	94,665	Long term debt yet to be issued
		Inpatient Psychiatry Redesign - Concept Plan	78	\$ 700,000	\$ 280,000	87,861	192,139					to complete
		Psychiatric Unit 3N Redesign	78	\$ 150,000	\$ 60,000	60,000	-					to complete
		Autopsy Suite Upgrade	81	\$ 5,500,000	\$ 2,200,000		2,200,000					non start
		Elevator Upgrade	81	\$ 350,000	\$ 140,000		140,000					non start
		Psychiatric Unit 3N Redesign - add'l funding	81	\$ 23,000	\$ 9,200	9,200	-					to complete
		Cooler and Freezer Upgrades	83	\$ 1,479,000	\$ 591,600		591,600					non start
		MHSU Business Plan	83	\$ 800,000	\$ 320,000		320,000					non start
		Secure Room Safety Upgrade	83	\$ 518,000	\$ 207,200		207,200					non start
		Domestic Hot Water	83	\$ 236,250	94,500		94,500					non start
		MRI Scan Suite Humidity	83	\$ 99,000	39,600		39,600					non start
		Heat Recovery Chiller		\$ 5,030,400	\$ 2,012,160		2,012,160					new 2024
		Second Secure Room		\$ 1,038,825	\$ 415,530		415,530					new 2024

**NOCSRHD - 2024 Five Year Financial Plan - Cashflow Worksheet**

			Bylaw	Project Total	NOCSRHD Portion	Previously funded	2024	2025	2026	2027	2028		
<b>Capital Equipment</b>	<b>SLGH</b>	CT Scanner	78	\$ 2,509,000	\$ 627,250	602,661	24,589					to complete	
		Mammography Unit	78	\$ 1,938,000	\$ 484,500	484,500	-					to complete	
		Monitoring System, Physiological	81	\$ 159,000	\$ 63,600	63,600	-					to complete	
		Medstations, Additional	83	\$ 198,000	\$ 79,200		79,200					non start	
		Monitoring System, Physiological (add'l funding)	83	\$ 40,000	\$ 16,000	13,045	2,955					to complete	
		Steam Sterilizer	83	\$ 192,000	\$ 76,800		76,800					non start	
		Medstation - Additional		\$ 88,000	\$ 35,200		35,200					new 2024	
<b>Capital Projects</b>	<b>SLGH</b>	Construction Phase (25 Years)	38*		\$ -		296,165	296,165	296,165	296,165	296,165	Deb Issue 112 (25 Yr)	
		Pharmacy Renovation	73	\$ 1,080,000	\$ 432,000	432,000	-					to complete	
		Pharmacy Renovation (additional funding)	78	\$ 1,450,000	\$ 580,000	580,000	-					to complete	
		Operating Room Doors and Access System	76	\$ 85,000	\$ 34,000	32,054	1,946					to complete	
		Inpatient Care Services - Planning	81	\$ 1,000,000	\$ 400,000	36,240	363,760					to complete	
		Hot Water Loop Upgrade	83	460,250	184,100	92,046	92,054					to complete	
		MDR Storage Upgrades	83	85,000	34,000		34,000					non start	
		High Acuity Unit/Critical Care Unit		\$ 250,000	\$ 100,000		100,000					new 2024	
		Medical Air Distribution System		\$ 75,000	\$ 30,000		30,000					new 2024	
<b>Capital Equipment</b>	<b>Regional</b>	IH Wide IMIT (2018/2019)	71	\$ 3,274,000	\$ 1,309,600	969,995	339,605					to complete	
		IH Wide IMIT (2019/2020)	73	\$ 1,608,000	\$ 643,200	516,697	126,503					to complete	
		Laboratory Middleware	73	\$ 205,750	\$ 82,300	82,300	-					to complete	
		IH Wide IMIT (2020/2021)	76	\$ 1,615,250	\$ 646,100	541,677	104,423					to complete	
		IH Wide IMIT (2021/2022)	78	\$ 2,134,750	\$ 853,900	460,993	392,907					to complete	
		Laboratory Middleware - add'l funding	81	\$ 391,000	\$ 156,400	62,943	93,457					to complete	
		IH Wide IMIT (2022/2023)	81	\$ 1,624,250	\$ 649,700	439,392	210,308					to complete	
		IH Wide IMIT (2023/2024)	83	\$ 2,340,000	936,000	-	936,000					non start	
		IH Wide Digital Health (2024/2025)		\$ 2,139,750	\$ 855,900		855,900					new 2024	
		<b>Granville Bldg - End</b>	Bus for Adult Day Care	81	\$ 123,000	\$ 49,200		49,200					non start
<b>Capital Projects</b>	<b>Regional</b>	Pleasant Valley Manor (20 Years)	32*		\$ -		214,395	214,395	214,395	214,395	214,395	Deb Issue 106 (20 Yr)	
		Generator & Switchgear Replacement	78	\$ 950,000	\$ 380,000	166,744	213,256					to complete	
		Chiller and Cooling Tower Replacement	83	\$ 1,096,000	\$ 438,400		438,400					non start	
		Generator & Switchgear Replacement (add'l funding)		\$ 144,500	\$ 57,800		57,800					new 2024	
		<b>Noric House</b>	Fire Panel Upgrade	78	\$ 95,000	\$ 38,000	37,353	647					to complete
		Elevator Upgrade	83	\$ 338,500	\$ 135,400	-	135,400					non start	
		<b>Gateby Care Centre</b>	Air Handling Unit	81	\$ 85,000	\$ 34,000		34,000					non start
		<b>Bastion Place</b>	Generator Replacement	78	\$ 1,200,000	\$ 480,000	319,755	160,245					to complete
		Chiller	81	\$ 770,000	\$ 308,000	308,000	-					to complete	
		Loading Dock Upgrade	81	\$ 80,000	\$ 32,000	28,187	3,813					to complete	
		Chiller (add'l funding)	83	\$ 289,000	\$ 115,600	40,442	75,158					to complete	
		Upgrade to front entrance	83	\$ 85,000	\$ 34,000		34,000					non start	

**NOCSRHD - 2024 Five Year Financial Plan - Cashflow Worksheet**

		Bylaw	Project Total	NOCSRHD Portion	Previously funded	2024	2025	2026	2027	2028	
<b>Capital Projects</b>	<b>Regional (cont'd)</b>										
	<b>Shuswap</b>										
	Leasehold Improvements-Reno/Expansion	73	\$ 600,000	\$ 240,000	240,000	-					to complete
	<b>Comm Care</b>										
	Leasehold Improvements-Reno/Expansion	78	\$ 1,800,000	\$ 720,000	469,907	250,093					to complete
	Leasehold Improvements (add'l funding)	83	\$ 1,300,000	\$ 520,000		520,000					non start
	Leasehold Improvements - (lab add'l funding)	83	\$ 990,000	\$ 396,000		396,000					non start
	<b>Gateby</b>										
	Boiler Upgrade	83	\$ 767,000	\$ 306,800		306,800					non start
	<b>PV Health Centre</b>										
	Chiller Replacement	83	\$ 500,000	\$ 200,000	-	200,000					non start
	Heat Trace for Gutters	83	\$ 90,000	\$ 36,000	-	36,000					non start
	<b>Polson Extended Ca</b>										
	Generator & Distribution Upgrade		\$ 2,083,450	\$ 833,380		833,380					new 2024
	<b>TBD</b>										
	Long-term Care Facility - Business Plan	78	\$ 400,000	\$ 160,000		160,000					non start
	<b>TBD</b>										
	Primary Care Project		\$ 5,000,000	\$ 2,000,000		2,000,000					new 2024
	Administration Cost					95,100	95,100	95,100	95,100	95,100	
	Debt Reserve Fund expense from Issue of new Debt					33,800					
	<b>Total Anticipated Expenditures</b>					<b>\$23,842,429</b>	<b>\$5,114,612</b>	<b>\$5,152,254</b>	<b>\$5,191,779</b>	<b>\$5,233,280</b>	

**Capital Planning Information**

Additional Capital Requirements spread next 5 years (estimated)											
	- Equipment					6,765,000	6,934,200	7,107,600	7,285,300		
	- Facility Projects					0	0	0	0		
	Electrical Infrastructure Upgrade Project					1,333,034					
	Completion of Emergency Generator					1,149,769					
	Agreements - First Nations					-88,902	-89,791	-90,689	-91,596	-92,512	
	Grants in lieu					-25,000	-25,000	-25,000	-25,000	-25,000	
	From accumulated cash reserves - prior years' approved projects					-12,152,270				0	
	To accumulated cash reserves - current year approved projects					1,750,000	1,700,000	1,700,000	1,750,000	1,850,000	\$20,592,505 Est Reserve Balance December 2028
	Proceeds from borrowing - prior year projects					-1,149,769					
	Proceeds from borrowing - new long term projects					-1,333,034					
	Interest Revenue					-300,000	-150,000	-75,000	-50,000	-50,000	
	Tax Requisition					\$13,026,257	\$13,314,821	\$13,595,765	\$13,882,783	\$14,201,068	
						\$0.2421	\$0.2475	\$0.2527	\$0.2580	\$0.2639	
	% increase over previous year:					2.0%	2.2%	2.1%	2.1%	2.3%	
	Average Home Value					\$ 632,966	\$632,966	\$632,966	\$632,966	\$632,966	
	Annual Tax Levy on average home					\$153.24	\$156.64	\$159.94	\$163.32	\$167.06	

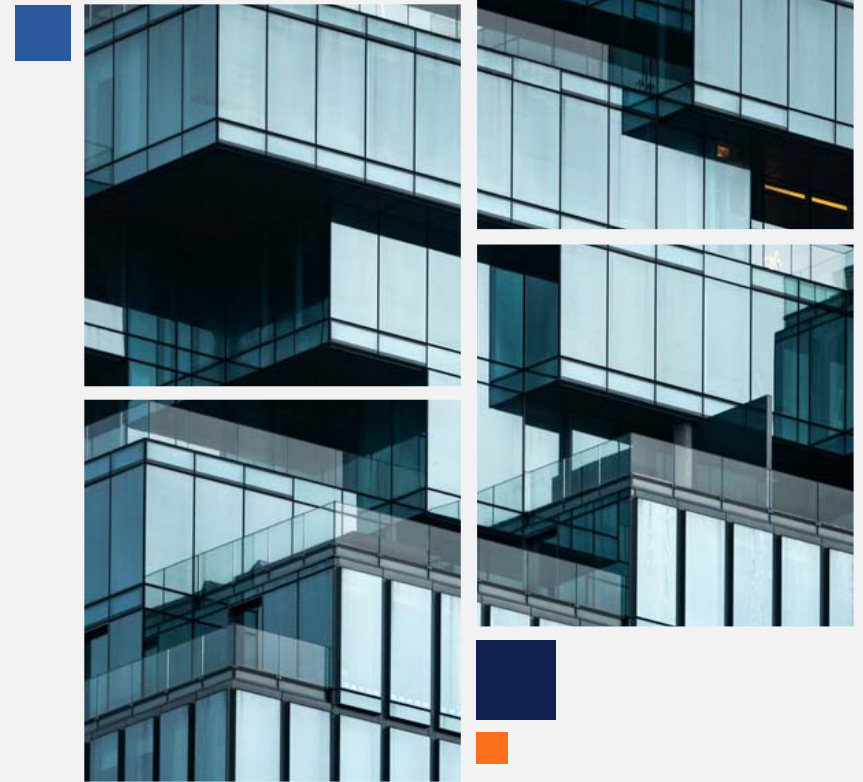
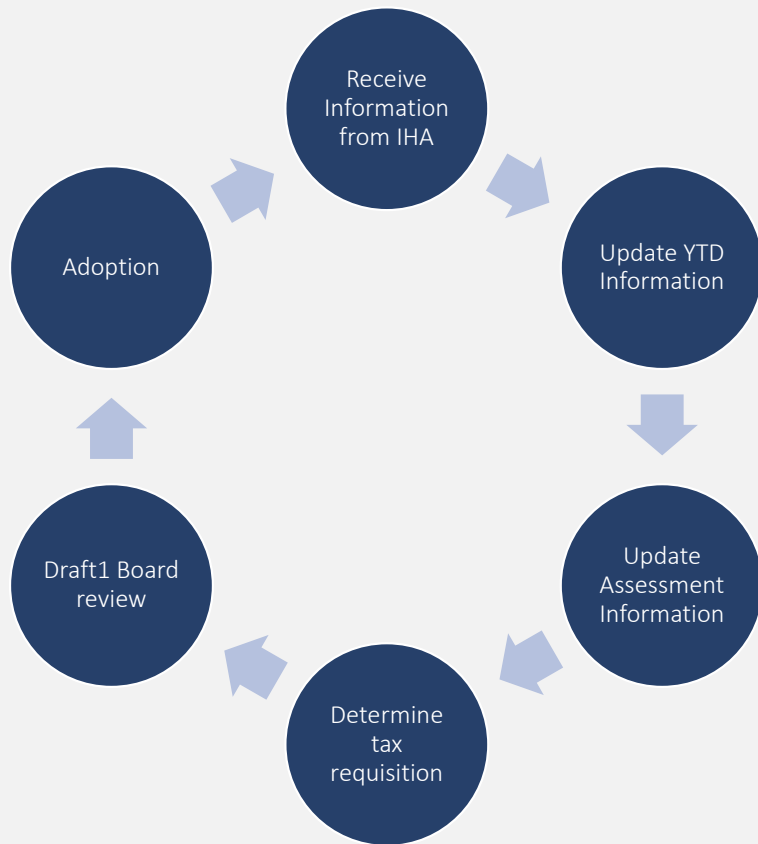
January 23, 2024

# North Okanagan Columbia Shuswap Regional Hospital District

Budget Discussion

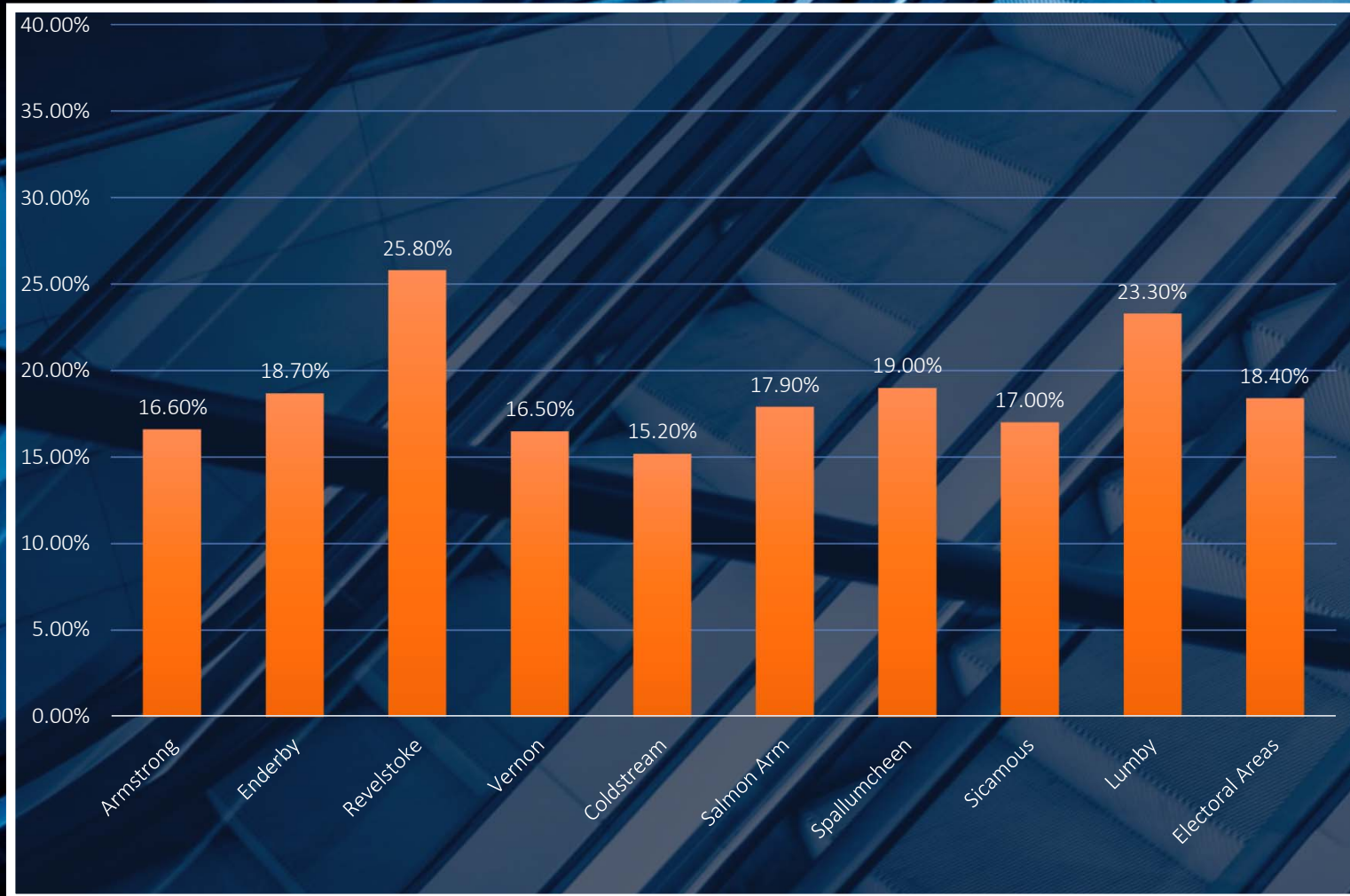


# Budget Process





# Current Increase in Total Assessment



**North Okanagan Columbia Shuswap Regional Hospital District**  
**Status of Hospital District Approved & Proposed Projects for 2024/2025 as at December 31 2023**

Facility	Project/Equipment	Budget Category	Total Cost	RHD Cost	Expended in Prior Year(s)	Expended in Current Year	Total Expended	Project
<b>C - In Progress Projects</b>								
Queen Victoria, Revelstoke								
	Emergency Generator	Const over \$100K	\$ 4,950,000	\$ 1,980,000	820,521.27	9,709.26	830,230.53	2019 Budget
	Access Control Enhancement	Const under \$100K	\$ 75,000	\$ 30,000	-		-	2021 Budget
	Security Camera Upgrade (Mount Cartier Court)	Const under \$100K	\$ 74,000	\$ 29,600	-		-	2021 Budget
	Chemistry Analyzer	Equip over \$100K	\$ 102,000	\$ 40,800	-	38,251.54	38,251.54	2022 Budget
	Chiller Replacement	Const over \$100K	\$ 1,074,000	\$ 429,600			-	2023 Budget
	OR Lights	Equip	\$ 859,000	\$ 343,600			-	2023 Budget
<b>C - In Progress Projects (cont'd)</b>								
Shuswap Lake General, Salmon Arm								
	Operating Room Doors and Access System	Const under \$100K	\$ 85,000	\$ 34,000	28,277.42	3,776.24	32,053.66	2020 Budget
	Pharmacy Renovation (additional funding)	Const over \$100K	\$ 1,450,000	\$ 580,000	438,662.88	141,337.12	580,000.00	2021 Budget
	CT Scanner	Equip	\$ 2,509,000	\$ 627,250	477,124.03	125,536.76	602,660.79	2021 Budget
	Mammography Unit	Equip	\$ 1,938,000	\$ 484,500	-	484,500.00	484,500.00	2021 Budget
	Inpatient Care Services - Planning	Const over \$100K	\$ 1,000,000	\$ 400,000	-	36,239.99	36,239.99	2022 Budget
	Monitoring System, Physiological	Equip	\$ 159,000	\$ 63,600	-	63,600.00	63,600.00	2022 Budget
	Physiological Monitoring System (add'l funding)	Equip	\$ 40,000	\$ 16,000		13,045.37	13,045.37	2023 Budget
	Hot Water Loop Upgrade	Const over \$100K	\$ 460,250	\$ 184,100		92,045.56	92,045.56	2023 Budget
	MDR Storage Upgrades	Const under \$100K	\$ 85,000	\$ 34,000			-	2023 Budget
	Medstations, Additional	Equip	\$ 198,000	\$ 79,200			-	2023 Budget
	Steam Sterilizer	Equip	\$ 192,000	\$ 76,800			-	2023 Budget



**North Okanagan Columbia Shuswap Regional Hospital District**  
**Status of Hospital District Approved & Proposed Projects for 2024/2025 as at December 31 2023**

Facility	Project/Equipment	Budget Category	Total Cost	RHD Cost	Expended in Prior Year(s)	Expended in Current Year	Total Expended	Project
<b>C - In Progress Projects (cont'd)</b>								-
Vernon Jubilee	Ortho Templating Software for Surgical Efficiency	IMIT	\$ 74,000	\$ 29,600	23,647.89		23,647.89	2019 Budget
	Medstations, IH Wife Pyxis Replacement, Phase 4	Equip	\$ 2,939,000	\$ 1,175,600	941,201.49	4,311.60	945,513.09	2019 Budget
	Chemistry Analyzer	Equip over \$100K	\$ 145,000	\$ 58,000	-	58,000.00	58,000.00	2015 Budget
	Integrated Chemistry/Immunochemistry Analyzer (a	Equip	\$ 322,000	\$ 70,800	-	19,985.06	19,985.06	2017 Budget
	North Tower Electrical Primary Distribution - Plannir	Const over \$100K	\$ 75,000	\$ 30,000	10,756.30		10,756.30	2020 Budget
	CT Scanner	Equip	\$ 2,859,000	\$ 1,143,600	977,671.57	46,848.03	1,024,519.60	2020 Budget
	Electrical Infrastructure Upgrade - Phase 1	Const over \$100K	\$ 3,500,000	\$ 1,400,000	-	66,965.85	66,965.85	2021 Budget
	Inpatient Psychiatry Redesign - Concept Plan	Const over \$100K	\$ 700,000	\$ 280,000	86,371.03	1,490.17	87,861.20	2021 Budget
	Remote Patient Observation System (Telesitter)	IMIT	\$ 285,000	\$ 114,000	-		-	2021 Budget
	Meal Delivery System	Equip	\$ 1,430,000	\$ 572,000	256,813.43	57,979.75	314,793.18	2021 Budget
	Autopsy Suite Upgrade	Const over \$100K	\$ 5,500,000	\$ 2,200,000	-		-	2022 Budget
	Elevator Upgrade	Const over \$100K	\$ 350,000	\$ 140,000	-		-	2022 Budget
	Medstation - Additional	Equip	\$ 97,000	\$ 38,800	-		-	2022 Budget
	Cooler and Freezer upgrades	Const over \$100K	\$ 1,479,000	\$ 591,600			-	2023 Budget
	MHSU Business Plan	Const over \$100K	\$ 800,000	\$ 320,000			-	2023 Budget
	Secure Room Safety Upgrade	Const over \$100K	\$ 518,000	\$ 207,200			-	2023 Budget
	Domestic Hot Water	Const over \$100K	\$ 236,250	\$ 94,500			-	2023 Budget
	MRI Scan Suite Humidity	Const under \$100K	\$ 99,000	\$ 39,600			-	2023 Budget
	Equipment Management System	Equip	\$ 1,942,750	\$ 777,100			-	2023 Budget
	Cart Washer	Equip	\$ 340,000	\$ 136,000		128,027.87	128,027.87	2023 Budget

**North Okanagan Columbia Shuswap Regional Hospital District  
Status of Hospital District Approved & Proposed Projects for 2024/2025 as at December 31 2023**



Facility	Project/Equipment	Budget Category	Total Cost	RHD Cost	Expended in Prior Year(s)	Expended in Current Year	Total Expended	
<b>C - In Progress Projects, continued</b>								
<u>Regional</u>								
Regional	IH Wide IMIT	IMIT - 18/19	\$ 3,274,000	\$ 1,309,600	967,863.68	2,131.48	969,995.16	2018 Budget
Shuswap Community Care Se	Leasehold Improvements-Reno/Expansion/Relocati	Const over \$100K	\$ 600,000	\$ 240,000	23,311.68	216,688.32	240,000.00	2019 Budget
Shuswap Community Care Se	Leasehold Improvements-Renovation and Expansio	Const over \$100K	\$ 1,800,000	\$ 720,000	-	469,907.14	469,907.14	2021 Budget
Shuswap Community Care Se	Leasehold Improvements (add'l funding)	Const over \$100K	\$ 1,300,000	\$ 520,000			-	2023 Budget
Regional	IH Wide IMIT	IMIT - 19/20	\$ 1,608,000	\$ 643,200	490,347.33	26,349.66	516,696.99	2019 Budget
Various	Laboratory Middleware	Equip	\$ 205,750	\$ 82,300	-	82,300.00	82,300.00	2019 Budget
Various	Laboratory Middleware (add'l funding)	Equip	\$ 391,000	\$ 156,400	-	62,942.74	62,942.74	2022 Budget
Bastion Place	Generator Replacement	Const over \$100K	\$ 1,200,000	\$ 480,000	248,932.66	70,822.54	319,755.20	2020 Budget
Regional	IH Wide IMIT	IMIT - 20/21	\$ 1,615,250	\$ 646,100	533,486.25	8,190.42	541,676.67	2020 Budget
Pleasant Valley Manor	Generator & Switchgear Replacement	Const over \$100K	\$ 950,000	\$ 380,000	16,274.39	150,470.02	166,744.41	2021 Budget
TBD	Long-term Care Facility - Business Plan	Const over \$100K	\$ 400,000	\$ 160,000	-		-	2021 Budget
Noric House	Fire Panel Upgrade	Const under \$100K	\$ 95,000	\$ 38,000	37,352.62		37,352.62	2021 Budget
Regional	IH Wide IMIT	IMIT - 21/22	\$ 2,134,750	\$ 853,900	219,653.44	241,339.17	460,992.61	2021 Budget
VGH/SLGH	3 Ultrasound Machines (repl. 2013 machines)	Equip	\$ 567,000	\$ 226,800	218,497.92	-11,804.40	206,693.52	2021 Budget
Bastion Place	Chiller	Const over \$100K	\$ 770,000	\$ 308,000	39,593.63	268,406.37	308,000.00	2022 Budget
Bastion Place	Chiller Replacement (add'l funding)	Const over \$100K	\$ 289,000	\$ 115,600		40,442.39	40,442.39	2023 Budget
Gateby Care Centre	Air Handling Unit	Const under \$100K	\$ 85,000	\$ 34,000	-		-	2022 Budget
Bastion Place	Loading Dock Upgrade	Const under \$100K	\$ 80,000	\$ 32,000	-	28,186.92	28,186.92	2022 Budget
Regional	IH Wide IMIT	IMIT - 22/23	\$ 1,624,250	\$ 649,700	-	439,392.14	439,392.14	2022 Budget
Granville Building - Enderby	Bus for Adult Day Care	Equip	\$ 123,000	\$ 49,200	-		-	2022 Budget
Pleasant Valley Manor	Chiller and Cooling Tower Replacement	Const over \$100K	\$ 1,096,000	\$ 438,400			-	2023 Budget
Parkview Place	Chiller Replacement	Const over \$100K	\$ 500,000	\$ 200,000			-	2023 Budget
Shuswap Lab Services	Leasehold Improvements (add'l funding)	Const over \$100K	\$ 990,000	\$ 396,000			-	2023 Budget
Gateby Care Centre	Boiler Upgrade	Const over \$100K	\$ 767,000	\$ 306,800			-	2023 Budget
Noric House	Elevator Upgrade	Const over \$100K	\$ 338,500	\$ 135,400			-	2023 Budget
Parkview Place	Heat Trace for Gutters	Const under \$100K	\$ 90,000	\$ 36,000			-	2023 Budget
Bastion Place	Upgrade to Front Entrance	Const under \$100K	\$ 85,000	\$ 34,000			-	2023 Budget
Regional	IH-Wide IMIT 23/24	IMIT	\$ 2,340,000	\$ 936,000			-	2023 Budget
<b>Prior Year Projects - Sub-total</b>			<b>\$ 64,259,750</b>	<b>\$ 24,978,850</b>	<b>\$6,856,360.91</b>	<b>\$3,487,415.08</b>	<b>\$ 10,343,775.99</b>	



# New Projects for 2024/2025

North Okanagan Columbia Shuswap Regional Hospital District								
Status of Hospital District Approved & Proposed Projects for 2024/2025 as at December 31 2023								
Facility	Project/Equipment	Budget Category	Total Cost	RHD Cost	Expended in Prior Year(s)	Expended in Current Year	Total Expended	Project
Queen Victoria, Revelstoke								
Shuswap Lake General, Salmon Arm								
	High Acuity Unit/Critical Care Unit	Const over \$100K	\$ 250,000	\$ 100,000				
	Medical Air Distribution System	Const under \$100K	\$ 75,000	\$ 30,000				
	Medstation - Additional	Equipment	\$ 88,000	\$ 35,200				
Vernon Jubilee								
	Heat Recovery Chiller	Const over \$100K	\$ 5,030,400	\$ 2,012,160				
	Second Secure Room	Const over \$100K	\$ 1,038,825	\$ 415,530				
	Monitoring System, Physiological	Equipment	\$ 963,600	\$ 385,440				
<u>Regional</u>								
Pleasant Valley Manor	Generator & Switchgear Replacement (add'l funding	Const over \$100K	\$ 144,500	\$ 57,800				
TBD	Primary Care Project	Const over \$100K	\$ 5,000,000	\$ 2,000,000				
Polson Extended Care	Generator & Distribution Upgrade	Const over \$100K	\$ 2,083,450	\$ 833,380				
Various	Digital Health - 2024/25	IMIT	\$ 2,139,750	\$ 855,900				
Global Grant	Equipment between \$5,000 and \$100,000	Global	\$ 1,792,500	\$ 717,000				2024 Budget
		<b>Sub-total</b>	<b>\$ 18,606,025</b>	<b>\$ 7,442,410</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	

### NOCSRHD - 2024 Five Year Financial Plan - Cashflow Worksheet

	Bylaw	2024	2025	2026	2027	2028
<b>Capital Planning Information</b>						
Additional Capital Requirements spread next 5 years (estimated)						
- Equipment			6,765,000	6,934,200	7,107,600	7,285,300
- Facility Projects			0	0	0	0
Electrical Infrastructure Upgrade Project		1,333,034				
Completion of Emergency Generator		1,149,769				
Agreements - First Nations		-88,902	-89,791	-90,689	-91,596	-92,512
Grants in lieu		-25,000	-25,000	-25,000	-25,000	-25,000
From accumulated cash reserves - prior years' approved projects		-12,152,270				0
To accumulated cash reserves - current year approved projects		1,750,000	1,700,000	1,700,000	1,750,000	1,850,000
Proceeds from borrowing - prior year projects		-1,149,769				
Proceeds from borrowing - new long term projects		-1,333,034				
Interest Revenue		-300,000	-150,000	-75,000	-50,000	-50,000
Tax Requisition		\$13,026,257	\$13,314,821	\$13,595,765	\$13,882,783	\$14,201,068
		\$0.2421	\$0.2475	\$0.2527	\$0.2580	\$0.2639
		2.0%	2.2%	2.1%	2.1%	2.3%
		\$ 632,966	\$632,966	\$632,966	\$632,966	\$632,966
		\$153.24	\$156.64	\$159.94	\$163.32	\$167.06





		<b>NOCSRHD - 2024 Five Year Financial Plan - Cashflow Worksheet</b>					
		Bylaw	2024	2025	2026	2027	2028
<b>Capital Planning Information</b>							
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	- Equipment			6,765,000	6,934,200	7,107,600	7,285,300
	- Facility Projects			0	0	0	0
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**NOCSRHD - 2024 Five Year Financial Plan - Cashflow Worksheet**

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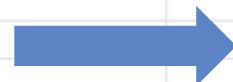
NOCSRHD - 2024 Five Year Financial Plan - Cashflow Worksheet							
	Bylaw	2024	2025	2026	2027	2028	
<b>Capital Planning Information</b>							
Additional Capital Requirements spread next 5 years (estimated)							
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		\$153.24	\$156.64	\$159.94	\$163.32	\$167.06	

### NOCSRHD - 2024 Five Year Financial Plan - Cashflow Worksheet

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		2.0%	2.2%	2.1%	2.1%	2.3%
		\$ 632,966	\$632,966	\$632,966	\$632,966	\$632,966
		\$153.24	\$156.64	\$159.94	\$163.32	\$167.06



		<b>NOCSRHD - 2024 Five Year Financial Plan - Cashflow Worksheet</b>					
		Bylaw	2024	2025	2026	2027	2028
<b>Capital Planning Information</b>							
	Additional Capital Requirements spread next 5 years (estimated)						
	- Equipment			6,765,000	6,934,200	7,107,600	7,285,300
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			\$ 632,966	\$632,966	\$632,966	\$632,966	\$632,966
			\$153.24	\$156.64	\$159.94	\$163.32	\$167.06



**NOCSRHD - 2023 Five Year Financial Plan - Cashflow Worksheet**  
**NOCSRHD - 2024 Five Year Financial Plan - Cashflow Worksheet**

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		2.0%	2.2%	2.1%	2.1%	2.3%
		\$ 632,966	\$632,966	\$632,966	\$632,966	\$632,966
		\$153.24	\$156.64	\$159.94	\$163.32	\$167.06





# Allocation of Tax Increase

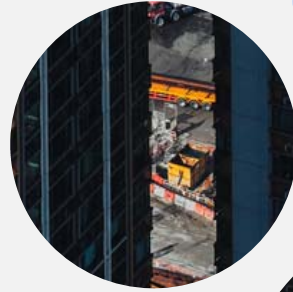
NOC SRHD - 2024 TAX REQUISITION (Revised Roll)						
Member Municipality	2024 Total Assessments	Increase in Total Assessments	2023 Actual Requisition	2024 Actual Requisition	+/-	2024 Tax Requisition Increase %
City of Armstrong	3,758,212,191	16.6%	374,468	375,596	1,127	0.3%
City of Enderby	534,565,150	18.7%	196,047	199,203	3,156	1.6%
City of Revelstoke	1,642,031,192	25.8%	962,863	1,065,692	102,830	10.7%
City of Vernon	741,485,555	16.5%	4,193,854	4,265,979	72,125	1.7%
District of Coldstream	14,016,537,805	15.2%	1,038,048	1,072,223	34,175	3.3%
City of Salmon Arm	5,823,353,109	17.9%	1,605,220	1,614,979	9,759	0.6%
Township of Spallumcheer	1,364,137,958	19.0%	456,877	479,158	22,281	4.9%
District of Sicamous	1,465,625,104	17.0%	350,772	356,821	6,049	1.7%
Village of Lumby	15,462,789,685	23.3%	145,249	155,158	9,909	6.8%
Electoral Areas	4,470,413,507	18.4%	3,452,446	3,441,448	-10,997	-0.3%
	\$ 49,279,151,256	18.0%	\$ 12,775,842	\$ 13,026,257	\$ 250,415	2.0%



\$13,026,257
\$0.2421
2.0%



# Questions?





January 23, 2024

# North Okanagan Columbia Shuswap Regional Hospital District

Budget Discussion



# BOARD REPORT

- TO:** Chair and Directors
- SUBJECT:** Request to pursue designated Health Facility status under the Hospital District Act
- DESCRIPTION:** Report from Jodi Pierce, General Manager, Financial Services, dated January 18, 2024.
- RECOMMENDATION #1:** THAT: the North Okanagan Columbia Shuswap Regional Hospital District request the Interior Health Authority (IHA) to pursue the designation of "health facility" for all IHA owned and operated Urgent and Primary Care Centres within the North Okanagan Columbia Shuswap Regional Hospital District for the purposes of the Hospital District Act.  
*Corporate Vote Unweighted Majority*
- RECOMMENDATION #2:** THAT: the North Okanagan Columbia Shuswap Regional Hospital District approve funding in principle to the Primary Care Project in accordance with the funding request later dated December 8, 2023 subject to the Primary Care Centre qualifying as a designated facility pursuant to the Hospital District Act.  
*Corporate Vote Unweighted Majority*

## SUMMARY:

In accordance with the *Hospital District Act* a facility that is not a hospital must be designated as a "health facility" by the Minister under Section 49 of the Act to be eligible to be funded through a Regional Hospital District. The current Vernon Urgent and Primary Care Centre (UPCC) has not yet received this designation and there is a second Primary Care Project for consideration in the 2024/2025 funding request letter.

## BACKGROUND:

The Interior Health Authority established a Vernon UPCC a few years ago and there was an oversight in not seeking the designated health facility status at that time. While there is no current funding request for the existing facility, this report seeks to rectify that situation in the event there are funding requests in the future. Further, the North Okanagan Columbia Shuswap Regional Hospital District (NOCSRHD) has received a request from the Interior Health Authority (IHA) to fund 40% of a project that is being constructed but is not yet a designated facility under the Schedule (as amended from time to time) to the Hospital District Act. In order for IHA to proceed to get the designation, they require a letter from the NOCSRHD to bring forward a request to the Minister.

## POLICY:

The [\*Hospital District Act\*](#)

## FINANCIAL:

If the two UPCCs do not become a designated Health Facility, they will not be eligible for funding from the NOCSRHD. The current funding request includes an ask of \$2,000,000 representing 40% of the total costs of acquiring and constructing this facility.

**IMPLEMENTATION:**

If the Board agrees with the staff recommendation, staff will write a letter to IHA requesting they obtain the Health Facility Designation from the Minister. Staff will follow up with IHA prior to releasing any funding that has been requested.

**DESIRED OUTCOMES:**

That the Board endorse the staff recommendation(s).

**BOARD'S OPTIONS:**

1. *Endorse the Recommendation(s).*
2. *Deny the Recommendation(s).*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*

**Report Approval Details**

Document Title:	2023-01-24_NOCSRHD Request to pursue designation of Health Facility.docx
Attachments:	
Final Approval Date:	Jan 19, 2024

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



Jennifer Sham

**No Signature - Task assigned to John MacLean was completed by assistant Jennifer Sham**

John MacLean