

KERHD Board of Directors Agenda

February 18, 2022

11:30 am

Voting Rules: *Unless otherwise indicated on this agenda, all Directors have one vote and a simple majority is required for a motion to pass.*

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12. Adjournment

PART 2
ELECTION OF BOARD CHAIR AND ACTING CHAIR

General provisions

- 2.1 As provided in the Act:
- (1) At the first Meeting held in each year, the Board must elect a Chair and an Acting Chair.
 - (2) The Acting Chair has, during the absence, illness or other disability of the Board Chair, all the powers and duties of the Board Chair and is subject to all rules applicable to the Board Chair.
 - (3) If the Board Chair and the Acting Chair are not present at a Meeting of the Board, the Directors present may, by resolution, appoint a member as Acting Chair who, during that Meeting, has all the powers of the Board Chair and is subject to all rules applicable to the Chair.
 - (4) Each Director present at the Meeting has one vote in each election for an office.

Election of Board Chair

- 2.2 The call for nominations for the office of Board Chair will be conducted by the Corporate Officer.
- 2.3 The Corporate Officer will call for nominations for the office of Board Chair. Each nomination must be seconded and the nominee must consent to the nomination. If the nominee is not present at the Meeting, he or she must have advised the nominator of his or her consent in writing or else such person will not be considered for the position of Board Chair.
- 2.4 If only one candidate is nominated for the office of Board Chair, that candidate will be declared elected by acclamation.
- 2.5 If more than one candidate is nominated for an office, each candidate will be given two minutes to speak. If a candidate is not present at the Meeting, he or she may have another Director deliver a prepared speech on his or her behalf.
- 2.6 At the conclusion of candidates' speeches, an election will be held and voting will be conducted by secret ballot. If a Director is participating in the Meeting electronically under Sections 3.4 to 3.6, to cast a vote for the office of Board Chair, he or she shall, at the time the vote is being conducted, telephone the Corporate Officer who will record his or her vote on a ballot paper and deposit same in the ballot box.
- 2.7 The counting of ballots will be conducted by the Corporate Officer together with the Chief Financial Officer. The number of votes for each candidate will be announced and, immediately thereafter, the ballots will be destroyed.
- 2.8 The candidate with the most votes for the office of Board Chair will be declared elected to that office.

Tie vote

- 2.9 In the event of a tie vote that makes the election results inconclusive, the candidates who are tied remain in the election. If a definitive election result cannot be declared after three elections have been held, then the result of the election will be determined by lot between those candidates as follows:
- (a) the name of each candidate is to be written on a separate piece of paper, as similar as possible to all other pieces prepared for the determination;
 - (b) the pieces of paper are to be folded in a uniform manner in such a way that the names of the candidates are not visible;
 - (c) the pieces of paper are to be placed in a container that is sufficiently large to allow them to be shaken for the purpose of making their distribution random, and the container is to be shaken for this purpose;
 - (d) a person who is not a candidate shall be asked to withdraw one paper;
 - (e) the candidate whose name is on the paper that was drawn shall be declared elected to that office.

Election of Acting Chair

- 2.10 The election for the position of Acting Chair will be conducted following the procedures set out in Sections 2.2 to 2.9 of this Bylaw.



MINUTES OF THE KERHD BOARD OF DIRECTORS MEETING

November 5, 2021
Regional District Office, Cranbrook, BC

PRESENT:	Chair D. McKerracher	District of Elkford
	Director K. Cathcart	CSRD Electoral Area A (videoconference)
	Alternate Director W. Baker	RDEK Electoral Area A
	Director S. Doehle	RDEK Electoral Area B
	Director R. Gay	RDEK Electoral Area C
	Director J. Walter	RDEK Electoral Area E
	Director S. Clovechok	RDEK Electoral Area F
	Director G. Wilkie	RDEK Electoral Area G
	Director G. Jackman	RDCK Electoral Area A
	Director T. Wall	RDCK Electoral Area B (videoconference)
	Director A. Casemore	RDCK Electoral Area C (videoconference)
	Director L. Pratt	City of Cranbrook
	Director W. Graham	City of Cranbrook
	Director A. Qualizza	City of Fernie
	Director D. McCormick	City of Kimberley
	Director A. Miller	District of Invermere
	Director D. Wilks	District of Sparwood
	Alternate Director K. Baldwin	Town of Creston
	Director C. Hambruch	Town of Golden (videoconference)
	Director K. Sterzer	Village of Canal Flats
	Director C. Reinhardt	Village of Radium Hot Springs
ABSENT:	Director M. Sosnowski	RDEK Electoral Area A
	Director R. Toyota	Town of Creston
STAFF:	S. Tomlin	Chief Administrative Officer
	T. Hlushak	Corporate Officer
	C. Thom	Executive Assistant (Recording Secretary)

Call to Order

The meeting was called to order at 11:38am.

Adoption of the Agenda

1390

MOVED by Director Gay

SECONDED by Director Sterzer

THAT the agenda for the KERHD Board of Directors meeting be adopted.

CARRIED

Adoption of the Minutes

August 6, 2021 Meeting

1391

MOVED by Director Doehle

SECONDED by Director Clovechok

THAT the Minutes of the KERHD Board of Directors meeting held on August 6, 2021 be adopted as circulated.

CARRIED

Invited Presentations & Delegations

Interior Health Authority - Project Update Summary

Todd Mastel, Corporate Director, Business Operations, Interior Health, provided an update on the Interior Health Project Status Report.

Terri Domin, Executive Director Clinical Operations, Acute & Community-East Kootenay, Interior Health, provided an update on the Urgent and Primary Health Care Centre project in Cranbrook noting that an opening ceremony is scheduled for early November.

New Business

2022 Board Meeting Schedule

1392

MOVED by Director Reinhardt

SECONDED by Director Clovechok

THAT the following KERHD Board meeting schedule for 2022 be approved:

- February 18
- May 13
- August 12
- December 9

CARRIED

2022 Provisional Budget

1393

MOVED by Director Wilks

SECONDED by Director Walter

THAT the 2022 Provisional Budget for the Kootenay East Regional Hospital District be approved.

CARRIED

Adjournment

The meeting adjourned at 12:11pm.

Chair Dean McKerracher

Tina Hlushak, Corporate Officer

Request for Decision

File No: 210 001

Date February 9, 2022
Author Debbie Renaud, Deputy CFO
Subject KERHD Audit Planning Report from BDO Canada LLP 2021

REQUEST

Response to the KERHD Audit Planning Report from BDO Canada LLP.

OPTIONS

1. That a letter be sent to BDO Canada LLP identifying the following concerns or significant risks, and requesting that they be given consideration in the course of the year-end audit: (insert list of concerns)
2. That BDO Canada LLP be advised that there are no significant concerns, or significant risks, that the Board feels require particular attention during the audit.
3. That BDO Canada LLP be advised that for the purposes of the audit, the appropriate person in the governance structure with whom to communicate, is the Board Chair.

RECOMMENDATION

Option 3, and either Option 1 or 2 if the Board feels it appropriate.

BACKGROUND/ANALYSIS

Attached is an audit planning report from our auditors, BDO Canada LLP, regarding the 2021 year-end audit. In the letter, they are requesting feedback from the Board on various subjects. In particular, they would like to hear from the Board if there is any question as to BDO's independence from the RDEK (their ability to provide an unbiased opinion), or if there are particular issues or risks that the Board feels warrant particular attention in the audit. They have noted that an absence of a response is taken as an indication that the Board does not have any issues.

SPECIFIC CONSIDERATIONS

Previous Board Action

In the past, the Board's direction was to have the auditors communicate with the Board Chair to discuss any issues of concern.

Attachment



November 10, 2021

Kootenay East Regional Hospital District
19 - 24th Avenue South
Cranbrook, BC
V1C 3H8

Dear Holly Ronquist, CPA, CMA,

We understand that you wish to engage us as the auditors of Kootenay East Regional Hospital District for its fiscal year ended December 31, 2021 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.

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

Our Role as Auditors

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

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

In making our risk assessments, we consider internal control relevant to your preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your internal controls. However, we will communicate to you concerning any significant deficiencies in internal controls relevant to the audit of the financial statements that we have identified during the audit.

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



Reporting

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

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

Role of Management and Those Charged with Governance

You acknowledge and understand that you have responsibility for:

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

Financial Statement Services

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

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

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



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

- (a) that you create the source data for all accounting entries;
- (b) that you develop any underlying assumptions for the accounting treatment and measurement 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: \$7,500

For each future year we will issue a Summary of Services providing details of our Services and fees.

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.

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 6% 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:

- \$1,900 interim payment;
- \$4,500 prior to issuance of assurance report; and
- \$1,100 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:

<small>DocuSigned by:</small>  <small>Signature 73B5BD8A16B49B...</small>	2022-01-26 14:26:39 PST <small>Date</small>
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Holly Ronnquist <small>Name (please print)</small>	CFO <small>Position</small>
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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. 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, any 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

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

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

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

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

2 BDO Network and Sole Recourse

2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.

2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.

2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above as if they were a party to this Agreement.

3 Respective Responsibilities

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



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

4 Working Papers and Deliverables

4.1 **Ownership** - Any documents prepared by us, or for us, in connection with Services belong solely to us.

4.2 **Oral advice and draft deliverables** - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.

4.3 **Translated documents** - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.

4.4 **Reliance by Third Parties** - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any party other than 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.

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 agree to use Confidential Information provided by you only in relation to the Services in connection with which the information is provided and we will not disclose the information, except where required by law, regulation or professional obligation. We may however, give Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services. Any party to whom we subcontract work will be required to keep Confidential Information confidential either by professional obligation or contract with us. Any BDO Member Firms or other subcontractors we use will be bound by the same confidentiality obligations.

5.2 BDO shall be entitled to include a description of the work we render to or for you in marketing and research materials and disclose such information to third parties, provided that all such information will be made anonymous and not associated with you. Additionally, we may analyze information on an industry or sector basis for internal purposes or to provide industry/sector wide information to our clients or potential clients.



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

6 Independence

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

7 Offers of Employment

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

8 Professional and Regulatory Oversight

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

9 Privacy and Consents

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



10 Electronic Communications

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

11 Limitation of Liability

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

12 Indemnity

- 12.1 To the fullest extent permitted by applicable law and professional regulations, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:



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

13 Alternative Dispute Resolution

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

14 Limitation Period

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

15 Québec Personnel

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



16 Termination

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

17 Governing Laws

- 17.1 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.

18 Survival

- 18.1 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.

19 Force Majeure

- 19.1 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.

20 Assignment

- 20.1 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.

21 Severability

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

Version number 202109

Kootenay East Regional Hospital District

Audit planning report to the Board of Directors
for the year ended December 31, 2021

START



To the Board of Directors of Kootenay East Regional Hospital District

We are pleased to provide you with this planning report to highlight and explain key issues which we believe to be relevant to the audit of Kootenay East Regional Hospital District (the “Hospital District”) financial statements for the year ended December 31, 2021.

The enclosed planning report 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 report any significant internal control deficiencies identified during our audit and reconfirm our independence.

Our audit and therefore this report will not necessarily identify all matters that may be of interest to the Board of Directors in fulfilling its responsibilities. This report has been prepared solely for the use of the Board of Directors and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

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





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- 4 Significant risks and planned responses
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- 8 BDO's digital audit suite
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Audit at a glance

LEAD PARTNER ON YOUR AUDIT	Markus Schrott CPA, CA
	E: mschrott@bdo.ca
	T: 250-275-8852
START DATE	December 7, 2021
END DATE	May 12, 2022

Your dedicated BDO audit team

Markus Schrott, CPA, CA

T: 250-275-8852
E: mschrott@bdo.ca

Markus Schrott will be the Engagement Partner for your assurance services. He will assume ultimate responsibility for the provision of all services, monitoring and controlling costs to ensure you receive quality, effective and value-added service.

Kenton Lane, CPA, CA

T: 250-421-5364
E: kelane@bdo.ca

Kenton Lane will be the Engagement Manager for your assurance services. He will assume ultimate responsibility for the provision of all services, monitoring and controlling costs to ensure you receive quality, effective and value-added service.

Our independence



We have identified relationships between Kootenay East Regional Hospital District and our Firm that may reasonably be thought to have influenced our independence. These are further discussed in [Appendix](#).



Audit timeline



For the year ended December 31, 2021



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





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, tax returns and consents for offering documents.
- ▶ 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.



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](#)

[Back to contents](#)



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 Kootenay East 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.



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	Per CAS 240.32, irrespective of our assessment of the risk of management override of controls, audit procedures must be performed to address the risk.	Review of transactions recorded in various ledgers for unusual or non-recurring adjustments not addressed by other audit procedures.

[Back to contents](#)

Materiality

We determined preliminary materiality to be \$250,000, based on 3% of projected revenues.

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.



How we audit financial statements: Our six-step 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

REPORT

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

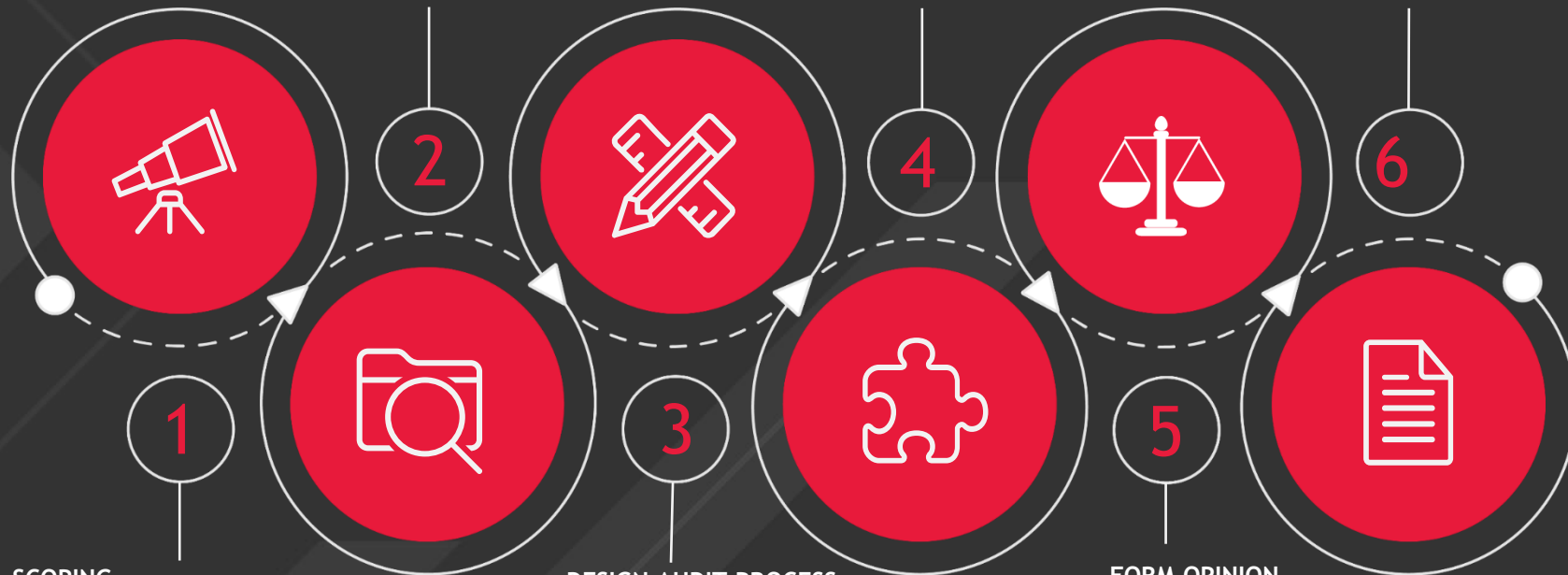
New Standard for Audit Quality



ISQM 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.

[SEE THE STANDARD](#)



SCOPING

Complete a preliminary review to plan the audit, determine the materiality level, and define the audit scope

DESIGN AUDIT PROCESS

Design an appropriate audit strategy to obtain sufficient assurance and enable us to report on the financial statements

FORM OPINION

Evaluate whether we have enough evidence to conclude that the financial statements are free from material misstatement, and consider the effect of any potential misstatements found

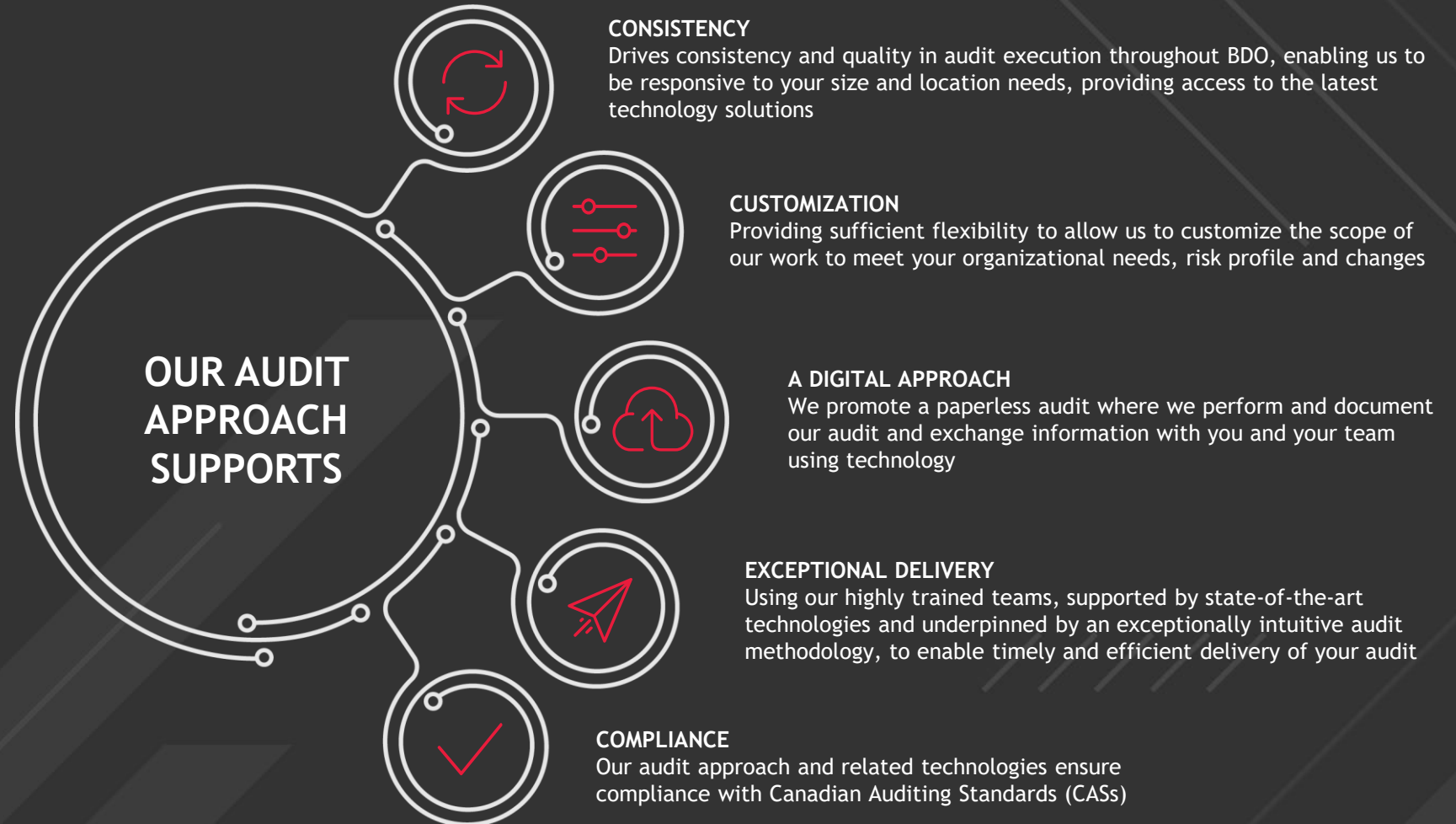
Our audit approach: Responsiveness in action

The cornerstone of each audit engagement is how we deliver our services.

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, as well as a quick turnaround on any questions. 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. Even more: As part of the global BDO network, we provide seamless and consistent cross-border services to clients with global needs. Yet we maintain a local community focus. The comprehensive range of services we deliver is complemented by a deep industry knowledge gained from nearly 100 years of working within local communities.



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.



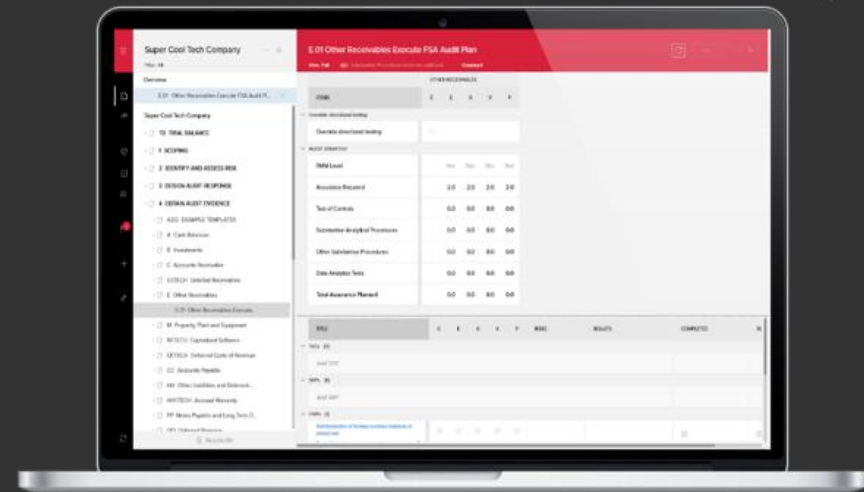
APT Next Gen

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.





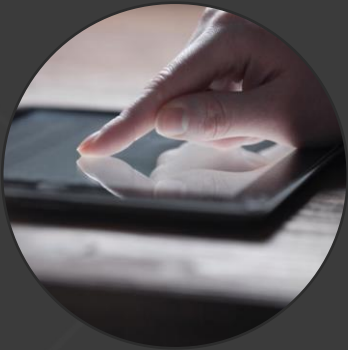
BDO Portal

BDO 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.



Recommended resources

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](#)

BDO Canada Sustainability Practice



Whether you're building a recovery plan, scanning new opportunities for growth, or revisiting your response—you'll find something to help you in our library of 100-plus webinars, articles, infographics, and videos.

[LEARN MORE](#)

Specific to you



We think the resource below may be of interest to the Board of Directors

[READ ARTICLE](#)

Spotlight on Sustainability

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.

How climate change became a business issue worth reporting



[READ ARTICLE](#)

Why manufacturers should be reviewing their ESG strategy now



[READ ARTICLE](#)

What executives need to do to align ESG with strategy



[READ ARTICLE](#)

5 reasons why businesses should care about ESG



[READ ARTICLE](#)

How does COVID-19 impact the environment?



[READ ARTICLE](#)

BDO Global Sustainability Resource Hub



[EXPLORE NOW](#)

ESG, and the business case for dealing with climate change



[READ ARTICLE](#)



Appendix: Independence Letter



February 8, 2022

Members of the Board of Directors
Kootenay East Regional Hospital District

Dear Members of the Board of Directors:

We have been engaged to audit the of Kootenay East Regional Hospital District (the “Hospital District”) for the year ended December 31, 2021.

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

In determining which relationships to report, the standards require us to consider independence rules and interpretations of the CPA profession and relevant legislation, covering such matters as:

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

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since May 7, 2021, the date of our last letter.

We are aware of the following relationships between the Hospital District and us that, in our professional judgment, may reasonably be thought to have influenced our independence:

- We will provide assistance in the preparation of the financial statements . These services create a self-review threat to our independence since we subsequently express an opinion on whether the present fairly, in all material respects, the financial position, results of operations and cash flows in accordance with Canadian public sector accounting standards.
- We, therefore, require that the following safeguards be put in place related to the above:
 - Management provides us with a trial balance prior to completion of our audit.
 - Management creates the source data for all the accounting entries.
 - Management develops any underlying assumptions required with respect to the accounting treatment and measurement of the entries.
 - Management reviews advice and comments provided and undertook their own analysis considering the Hospital District’s circumstances and generally accepted accounting principles.



- Management reviews and approves all journal entries prepared by us, as well as changes to financial statement presentation and disclosure.
- Someone other than the preparer reviewed the proposed journal entries and .

We hereby confirm that we are independence with respect to the Regional District within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia as of the date of this letter.

This letter is intended solely for the use of the Board of Directors, management and those charged with governance of the Hospital District and should not be used for any other purpose.

Yours truly,

BDO Canada LLP

Chartered Professional Accountants

KOOTENAY EAST REGIONAL HOSPITAL DISTRICT

Request for Decision

File No: H 220 001

Date February 11, 2022
Author Holly Ronnquist, CFO
Subject 2022 Annual budget and Interior Health 2022 and 2023 Capital Funding Request

REQUEST

Consideration of the 2022/2023 Interior Health capital funding request and 2022 Annual Budget Bylaw and Capital Expenditure Bylaw.

OPTIONS

1. THAT the 2022/2023 Interior Health capital funding request be approved.
2. THAT the 2022/2023 Interior Health capital funding request be approved, except for the following projects _____.
3. THAT the 2022/2023 Interior Health capital funding request be approved, the addition of the following projects _____.

RECOMMENDATION

Option 1.

BACKGROUND/ANALYSIS

The 2022 Annual Budget for the Kootenay East Regional Hospital District is presented for review and adoption. This budget provides for routine operating expenditures, including an increase in the Chair stipend from \$3,180 to \$3,315 annually and an increase in the Director meeting stipend from \$120 to \$125 per meeting.

In the February 2020 meeting, the Board recognized the need to start putting reserves away in preparation of future infrastructure requirements throughout the entire KERHD region. The adopted 2020 Budget approved increases of \$30 per average residential in 2020, 2021 and 2022 to build reserves for those future infrastructure projects.

The budget as presented shows taxation increasing by the amount of new growth from 2021 estimated at \$90,000 plus \$2,342,195 for future major infrastructure projects, which represents a 30% increase over 2021. The budget proposes inflationary increases starting in 2023.

The average residential property within the Hospital District boundary is \$404,454 in 2022. The proposed taxation will result in an increase of \$37 for the average residential property (from \$104 to \$141) in 2022. The increase in taxation will bring the KERHD 2022 mill rate to \$0.35/\$1,000 of assessment.

HEALTH TRANSIT

The Health Transit budget of \$363,509 is fully funded by Interior Health and does not impact taxation.

CAPITAL PROJECTS/GLOBAL GRANT

The budget includes funding of the 2022/23 Interior Health capital request of \$2,537,900 (detail on following page) and provides for routine capital funding increasing from \$2,750,000 in 2023 to \$3,500,000 in 2026. The 2022/23 capital request is \$1,877,400 lower than in 2021. The Global Grant requested by Interior Health for projects under \$100,000 is \$465,400. This is \$8,940 lower than in 2021. A schedule of the 2022/23 Interior Health capital request is provided below.

2022 Capital Funding

The 40% IH capital request for 2022 is \$3,003,300.

Facility	Location	Project	Funding Request
		Construction Projects Over \$100,000	
TBD	Golden	Primary Care Network	740,000
EK Regional Hospital	Cranbrook	Suction Pumps (Vacuum System) Replacement	260,000
EK Regional Hospital	Cranbrook	Pharmacy Renovation	190,000
EK Regional Hospital	Cranbrook	Oncology and Renal Renovation – Planning	100,000
		Construction Projects Under \$100,000	
EK Regional Hospital	Cranbrook	Oncology Relocations	39,800
Swan Valley Lodge	Creston	Kitchenette Replacement	28,400
Sparwood Health Centre	Sparwood	Oxygen Manifold Upgrade	22,600
Golden & District Hospital	Golden	Retaining Wall Replacement	22,000
		IH-Wide Digital Health	
Regional		Various	\$420,400
		Equipment Over \$100,000	
Sparwood Health Centre	Sparwood	General Radiographic System	410,000
Various	Various	Laboratory Middleware	101,200
EK Regional Hospital	Cranbrook	Video Tower System	81,200
EK Regional Hospital	Cranbrook	Laser Holmium	55,600
Elk Valley Hospital	Fernie	Chemistry Analyzer	40,800
EK Regional Hospital	Cranbrook	Medstation – Additional	25,900
		Equipment Under \$100,000 (Global Grant)	
All Facilities		Equipment between \$5,000 and \$100,000	\$465,400
Total 2022 Funding for Approval			\$3,003,300
Outstanding projects approved in previous years			7,839,626
Total Capital Budget			\$10,842,926

Funding of Projects

The financial plan, as presented, recommends that all approved 2022/23 capital projects be funded out of current year revenue. Capital remaining from previous years' commitments will be funded from previous years' taxation (included in Prior Period Surplus) and the Committed Reserve Fund balance of \$1,781,832.

Reserve Funds

There are two reserve funds showing on the 2022 – 2026 Financial Plan. The main reserve fund has a balance of \$7,280,563 (will reduce with year-end transfers). The second reserve called the committed reserve has a balance of \$1,781,832 for projects previously approved.

The draft budget shows a transfer of \$7,543,585 to reserves, which includes a transfer of \$7,026,585 for major infrastructure from the \$30 per average residential tax increase and \$517,000 for capital projects, if required. Transfers to reserves between 2023 to 2026 range from \$7,093,858 to \$7,471,585.

The draft budget does not require any withdrawals from the main reserve in 2022.

The major infrastructure reserve balance is estimated to be \$41.7 million plus interest by 2026, less any amounts utilized for large projects that proceed within that time.

Taxation by Jurisdiction

The attached schedule shows the breakdown of the 2021 taxation by jurisdiction, for the Board's reference.

Attachments

**Kootenay East Regional Hospital District
Five Year Financial Plan
With Revenues and Expenditures
For the Twelve Months Ending Friday, December 31, 2021**

	2021 BUDGET	2021 ACTUAL	2022 BUDGET	2023 BUDGET	2024 BUDGET	2025 BUDGET	2026 BUDGET
Revenue							
Requisition	\$8,105,817	\$8,105,818	\$10,538,012	\$10,658,241	\$10,780,874	\$10,905,960	\$11,033,548
Payments in Lieu of Taxes	10,000	20,500	22,000	22,000	22,000	22,000	22,000
First Nations Contribution	50,000	66,647	60,000	60,000	60,000	60,000	60,000
IH Funding - Health Transit	366,133	477,020	366,133	366,143	366,143	366,143	365,543
Interest	30,000	5,017	30,000	30,000	30,000	30,000	30,000
Other Revenue		(45,541)					
Actuarial Adjustments	34,375						
Total Revenue	8,596,325	8,629,461	11,016,145	11,136,384	11,259,017	11,384,103	11,511,091
Expenditures							
Legislative	21,800	12,540	22,565	22,565	22,565	22,565	22,565
Salaries & Benefits	33,048	29,201	35,499	36,790	36,852	37,620	38,531
Administration & Overhead	21,850	17,178	22,125	22,125	22,125	22,125	22,125
Health Transit Contracts	365,009	366,899	363,509	363,509	364,009	364,009	364,009
Grants	20,283	20,283					
Global Grant	474,340	474,340	465,400	465,000	465,000	465,000	465,000
Capital Grant - Current Year Projects	4,171,100	81,966	2,537,900	2,750,000	3,000,000	3,250,000	3,500,000
Capital Grant - Previously Committed	4,671,948	921,456	7,839,626				
Telephone & Utilities	100	100	100	100	100	100	100
Interest on Long-term Debt	52,846	52,846					
Shared Overhead	3,851	2,874	4,719	4,710	4,781	4,826	4,903
Total Expenditures	9,836,175	1,979,683	11,291,443	3,664,799	3,915,432	4,166,245	4,417,233
Revenue less Expenditures	(1,239,850)	6,649,778	(275,298)	7,471,585	7,343,585	7,217,858	7,093,858
Debt Principal Repayment	(766,640)	(732,265)					
Transfers to Reserves	(3,471,141)	(3,471,141)	(7,543,585)	(7,471,585)	(7,343,585)	(7,217,858)	(7,093,858)
Transfers from Reserves	2,432,892		1,781,832				
Prior Period Surplus	3,044,739	3,044,739	6,037,051				
End of Year Surplus		5,491,112					
Reserve Fund Balance		7,280,563					
Reserve Fund Balance Committed		1,781,832					

**Kootenay East Regional Hospital District
Five Year Financial Plan
With Revenues and Expenditures
For the Twelve Months Ending Friday, December 31, 2021**

	<u>2021</u> BUDGET	<u>2021</u> ACTUAL	<u>2022</u> BUDGET	<u>2023</u> BUDGET	<u>2024</u> BUDGET	<u>2025</u> BUDGET	<u>2026</u> BUDGET
Requisition:							
9-996-00-11201 CITY OF CRANBROOK		1,306,926					
9-996-00-11202 CITY OF FERNIE		683,323					
9-996-00-11203 CITY OF KIMBERLEY		498,974					
9-996-00-11204 DISTRICT OF SPARWOOD		417,745					
9-996-00-11205 DISTRICT OF ELKFORD		294,313					
9-996-00-11206 DISTRICT OF INVERMERE		372,142					
9-996-00-11207 VILLAGE OF RADIUM		153,308					
9-996-00-11208 VILLAGE OF CANAL FLATS		57,491					
9-996-00-11209 TOWN OF CRESTON		307,043					
9-996-00-11210 TOWN OF GOLDEN		346,752					
9-996-00-11301 ELECTORAL AREA A		399,085					
9-996-00-11302 ELECTORAL AREA B		443,116					
9-996-00-11303 ELECTORAL AREA C		564,457					
9-996-00-11304 ELECTORAL AREA E		212,215					
9-996-00-11305 ELECTORAL AREA F		938,444					
9-996-00-11306 ELECTORAL AREA G		134,044					
9-996-00-11310 GOLDEN RURAL		389,388					
9-996-00-11311 CRESTON RURAL - AREA A		133,977					
9-996-00-11312 CRESTON RURAL - AREA B		313,664					
9-996-00-11313 CRESTON RURAL - AREA C		139,411					
9-996-00-11300 KERHD-Requisition	8,105,817		10,538,012	10,658,241	10,780,874	10,905,960	11,033,548
Total Requisition	<u>8,105,817</u>	<u>8,105,818</u>	<u>10,538,012</u>	<u>10,658,241</u>	<u>10,780,874</u>	<u>10,905,960</u>	<u>11,033,548</u>

KOOTENAY EAST REGIONAL HOSPITAL DISTRICT

CAPITAL EXPENDITURE BYLAW NO. 127

WHEREAS the Board of the Kootenay East Regional Hospital District proposes to expend money for the capital expenditures described in Schedule A attached hereto and forming an integral part of this Bylaw;

AND WHEREAS those capital expenditures will be included in the 2022 budget;

NOW THEREFORE the Board of the Kootenay East Regional Hospital District enacts the following capital expenditure bylaw:

1. The Board hereby authorizes and approves the expenditure of money necessary to complete the capital expenditures as described in Schedule A attached to and forming part of this Bylaw.
2. This Bylaw may be cited for all intents and purposes as the "Kootenay East Regional Hospital District - Capital Expenditure Bylaw No. 127, 2022."

READ A FIRST TIME the day of .

READ A SECOND TIME the day of .

READ A THIRD TIME the day of .

ADOPTED the day of .

CHAIR

CORPORATE OFFICER

SCHEDULE A

**KOOTENAY EAST REGIONAL HOSPITAL DISTRICT
CAPITAL EXPENDITURE BYLAW NO. 127**

Name of Facility	Project or Equipment Description	Year	RHD Share (40%)	Province Share (60%)	Total Project
TBA Golden	Primary Care Network	2022	740,000	1,110,000	1,850,000
East Kootenay Regional Hospital Cranbrook	Suction Pumps (Vacuum System) Replacement	2022	260,000	390,000	650,000
East Kootenay Regional Hospital Cranbrook	Pharmacy Renovation (Budget Increase)	2022	190,000	285,000	475,000
East Kootenay Regional Hospital Cranbrook	Oncology and Renal Renovation – Planning	2022	100,000	150,000	250,000
East Kootenay Regional Hospital Cranbrook	Oncology Relocation	2022	39,800	59,700	99,500
Swan Valley Lodge Creston	Kitchenette Replacement	2022	28,400	42,600	71,000
Sparwood Health Centre Sparwood	Oxygen Manifold Upgrade	2022	22,600	33,900	56,500
Golden & District Hospital Golden	Retaining Wall Replacement	2022	22,000	33,000	55,000
Regional	IH – Wide Digital Health	2022	420,400	630,600	1,051,000
Sparwood Health Centre Sparwood	General Radiographic System	2022	410,000	615,000	1,025,000
Various	Laboratory Middleware (Budget Increase)	2022	101,200	151,800	253,000
East Kootenay Regional Hospital Cranbrook	Video Tower System	2022	81,200	121,800	203,000
East Kootenay Regional Hospital Cranbrook	Laser Holmium	2022	55,600	83,400	139,000
Elk Valley Hospital Fernie	Chemistry Analyzer	2022	40,800	61,200	102,000
East Kootenay Regional Hospital Cranbrook	Medstation – Additional	2022	25,900	38,850	64,750
All Facilities	Global Small Component Grant	2022	465,400	698,100	1,163,500

TOTAL: 3,003,300 4,504,950 7,508,250

This is Schedule A referred to in Bylaw No. 127 cited as "Kootenay East Regional Hospital District – Capital Expenditure Bylaw No. 127, 2022."

Corporate Officer

Date

KOOTENAY EAST REGIONAL HOSPITAL DISTRICT

BYLAW NO. 128

A bylaw to adopt the Kootenay East Regional Hospital District 2022 Annual Budget.

The Board of the Kootenay East Regional Hospital District enacts as follows:

1. This Bylaw may be cited as “Kootenay East Regional Hospital District - Annual Budget Bylaw No. 128, 2022.”
2. The budget for the Kootenay East Regional Hospital District being Revenue and Expenditures as contained in Schedule A attached to and forming part of this Bylaw, is the 2022 Annual Budget for the Kootenay East Regional Hospital District.

READ A FIRST TIME the day of

READ A SECOND TIME the day of

READ A THIRD TIME the day of

ADOPTED the day of

CHAIR

CORPORATE OFFICER

SCHEDULE A

KOOTENAY EAST REGIONAL HOSPITAL DISTRICT

BYLAW NO. 128

**Kootenay East Regional Hospital District
Five Year Financial Plan
With Revenues and Expenditures
For the Twelve Months Ending Friday, December 31, 2021**

	2021 BUDGET	2021 ACTUAL	2022 BUDGET	2023 BUDGET	2024 BUDGET	2025 BUDGET	2026 BUDGET
Revenue							
Requisition	\$8,105,817	\$8,105,818	\$10,538,012	\$10,658,241	\$10,780,874	\$10,905,960	\$11,033,548
Payments in Lieu of Taxes	10,000	20,500	22,000	22,000	22,000	22,000	22,000
First Nations Contribution	50,000	66,647	60,000	60,000	60,000	60,000	60,000
IH Funding - Health Transit	366,133	477,020	366,133	366,143	366,143	366,143	366,543
Interest	30,000	5,017	30,000	30,000	30,000	30,000	30,000
Other Revenue		(45,541)					
Actuarial Adjustments	34,375						
Total Revenue	8,596,325	8,629,461	11,016,145	11,136,384	11,259,017	11,384,103	11,511,091
Expenditures							
Legislative	21,800	12,540	22,565	22,565	22,565	22,565	22,565
Salaries & Benefits	33,048	29,201	35,499	36,790	36,852	37,620	38,531
Administration & Overhead	21,850	17,178	22,125	22,125	22,125	22,125	22,125
Health Transit Contracts	365,009	366,899	363,509	363,509	364,009	364,009	364,009
Grants	20,283	20,283					
Global Grant	474,340	474,340	485,400	485,000	485,000	485,000	485,000
Capital Grant - Current Year Projects	4,171,100	81,966	2,537,900	2,750,000	3,000,000	3,250,000	3,500,000
Capital Grant - Previously Committed	4,671,948	921,456	7,839,626				
Telephone & Utilities	100	100	100	100	100	100	100
Interest on Long-term Debt	52,846	52,846					
Shared Overhead	3,851	2,874	4,719	4,710	4,781	4,826	4,903
Total Expenditures	9,836,175	1,979,683	11,291,443	3,664,799	3,915,432	4,166,245	4,417,233
Revenue less Expenditures	(1,239,850)	6,649,778	(275,298)	7,471,585	7,343,585	7,217,858	7,093,858
Debt Principal Repayment	(766,640)	(732,265)					
Transfers to Reserves	(3,471,141)	(3,471,141)	(7,543,585)	(7,471,585)	(7,343,585)	(7,217,858)	(7,093,858)
Transfers from Reserves	2,432,892	1,781,832	1,781,832				
Prior Period Surplus	3,044,739	3,044,739	6,037,051				
End of Year Surplus		5,491,112					
Reserve Fund Balance		7,280,563					
Reserve Fund Balance Committed		1,781,832					

This is Schedule A referred to in Bylaw No. 128 cited as "Kootenay East Regional Hospital District - Annual Budget Bylaw No. 128, 2022."

Chair _____

Corporate Officer _____

Date _____