PMT Chartered Professional Accountants LLP

260D Broadway Avenue N Williams Lake, BC V2G 2X9

Phone: (250) 392-2911
Fax: (250) 392-5789
Web: www.pmtcpa.com

Cariboo-Chilcotin Regional Hospital District
180D N. 3rd Avenue
Williams Lake, BC V2G 2A4

ID: 12899
Invoice: 40411
Date: 05/06/25
Due Date: 06/05/25

Professional services rendered as follows:

- Carrying out an audit of the books and records for the year ended December 31, 2024 including: - Examining internal control system to determine degree of reliance to be placed thereon - Reviewing transactions for the year ended December 31, 2024 - Preparing adjusting journal entries as required - Attendances and discussions relating to the above	$3,450.00

Our Fee	$3,450.00
GST / HST #108681651	172.50
Invoice Total	$3,622.50

Please return this portion with payment.

Invoice: 40411

ID: 12899
Cariboo-Chilcotin Regional Hospital District

Date: 05/06/25
Due Date: 06/05/25

Total Account Balance: $3,622.50

Card Type: ______________

Card #: ____________________________ Exp Date: ________ CVV #: ________

Signature: ____ Amount Enclosed: $______________

Pay by Interac e-Transfer to paybill@pmtcpa.com

CARIBOO-CHILCOTIN REGIONAL HOSPITAL DISTRICT

FINANCIAL STATEMENT PACKAGE

YEAR ENDED DECEMBER 31, 2024

INDEX

Transmittal letter

Financial statements

Adjusting journal entries and trial balance

Miscellaneous
- Client representation letter
- Engagement letter
- Copy of audit findings letter

May 6, 2025

Cariboo-Chilcotin Regional Hospital District
Suite D - 180 North 3rd Ave
Williams Lake BC V2G 2A4

Attention: Mr. Al Richmond

Dear Al:

Enclosures

We are enclosing:

- One copy of your audited financial statements of Cariboo-Chilcotin Regional Hospital Districtfor the year ended December 31, 2024.
- One copy of the letter of representation for your records.
- One copy of our standard engagement letter for your records.
- Our year-end journal entries and other relevant working papers are being provided for your review.
- One copy of the audit findings letter.

Closing comments

We have relied on you to provide us with the necessary information in a form sufficiently complete to enable us to prepare the financial statements.

We thank you for the opportunity to be of service to you and trust everything is in order. If you have any questions or concerns, please contact us by email at joann@pmtcpa.com or call 250-392-2911.

Yours truly,

PMT CHARTERED PROFESSIONAL ACCOUNTANTS LLP

JoAnn M. Francis, CPA, CA

Encl.

CARIBOO-CHILCOTIN REGIONAL HOSPITAL DISTRICT

Financial Statements

Year Ended December 31, 2024

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Cariboo-Chilcotin Regional Hospital District have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of the Cariboo-Chilcotin Regional Hospital District's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the Hospital District's auditors to review significant accounting, reporting and internal control matters. The Board reviews the financial statements and discusses with the auditors, prior to its approval of the financial statements. The Board also considers and approves the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the Board of Directors by PMT Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.

Chief Administrative Officer

Chief Financial Officer

PMT CHARTERED PROFESSIONAL ACCOUNTANTS LLP

260D Broadway Avenue N
Williams Lake, BC V2G 2X9
Telephone 250-392-2911
Fax 250-392-5789
www.pmtcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Directors of Cariboo-Chilcotin Regional Hospital District

Report on the Financial Statements

Opinion

We have audited the financial statements of Cariboo-Chilcotin Regional Hospital District (the "Hospital District"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital District as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Hospital District in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Hospital District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Hospital District or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Directors of Cariboo-Chilcotin Regional Hospital District *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PMT

Williams Lake, BC
May 2, 2025

PMT CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

CARIBOO-CHILCOTIN REGIONAL HOSPITAL DISTRICT
Statement of Financial Position
December 31, 2024

	2024	2023
Financial assets		
Cash and cash equivalents *(Note 4)*	**$ 80,205,600**	$ 82,053,969
Accounts receivable *(Note 5)*	**210,576**	303,396
	80,416,176	82,357,365
Financial liabilities		
Accounts payable and accrued liabilities *(Note 6)*	**5,899,066**	2,131,309
Contingencies *(Note 7)*		
Net assets	**$ 74,517,110**	$ 80,226,056

Kevin Erickson, CPA, CGA, Chief Financial Officer

The accompanying notes are an integral part of this statement

CARIBOO-CHILCOTIN REGIONAL HOSPITAL DISTRICT

Statement of Operations and Accumulated Surplus

Year Ended December 31, 2024

	Budget	**2024**	2023
Revenue			
Taxation - net	$ 13,775,022	**$ 13,746,688**	$ 13,150,874
Interest	4,339,653	**4,042,310**	4,216,884
Grants in lieu of taxes	9,000	**14,275**	12,764
	18,123,675	**17,803,273**	17,380,522
General and administrative expenses			
Administration overhead	90,000	**90,156**	90,149
Capital projects	43,894,030	**22,437,103**	13,996,767
Foundation partnerships	100,000	**171,309**	41,700
Global grants	512,420	**512,420**	512,420
Insurance	2,500	**2,500**	2,500
Recruitment and retention	350,000	**298,731**	320,049
Professional fees	10,000	**-**	-
	44,958,950	**23,512,219**	14,963,585
Annual surplus (deficit)	(26,835,275)	**(5,708,946)**	2,416,937
Accumulated surplus - beginning of year	80,226,056	**80,226,056**	77,809,119
Accumulated surplus - end of year	$ 53,390,781	**$ 74,517,110**	$ 80,226,056

The accompanying notes are an integral part of this statement

CARIBOO-CHILCOTIN REGIONAL HOSPITAL DISTRICT
Statement of Changes in Net Financial Assets
Year Ended December 31, 2024

	Budget 2024	**2024**	2023
Annual surplus (deficit)	$ (26,835,275)	**$ (5,708,946)**	$ 2,416,937
Increase (decrease) in net financial assets	(26,835,275)	**(5,708,946)**	2,416,937
Net financial assets - beginning of year	80,226,056	**80,226,056**	77,809,119
Net financial assets - end of year	$ 53,390,781	**$ 74,517,110**	$ 80,226,056

The accompanying notes are an integral part of this statement

CARIBOO-CHILCOTIN REGIONAL HOSPITAL DISTRICT
Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
Operating activities		
Annual surplus (deficit)	**$ (5,708,946)**	$ 2,416,937
Changes in non-cash working capital:		
Accounts receivable	**92,820**	(60,786)
Accounts payable and accrued liabilities	**3,767,757**	990,898
	3,860,577	930,112
Increase (decrease) in cash flow	**(1,848,369)**	3,347,049
Cash and cash equivalents - beginning of year	**82,053,969**	78,706,920
Cash and cash equivalents - end of year	**$ 80,205,600**	$ 82,053,969
Cash and cash equivalents consist of:		
Operating cash	**$ 61,101,989**	$ 63,827,117
Money market funds with the Municipal Finance Authority	**19,103,611**	18,226,852
	$ 80,205,600	$ 82,053,969

The accompanying notes are an integral part of this statement

1. Purpose of the Hospital District

The Cariboo-Chilcotin Regional Hospital District (the "Hospital District") was incorporated on December 12, 1995 under the Health Authorities Act as the Cariboo Coast Regional Hospital District.

On November 19, 1998, Supplementary Letters Patent were issued to change the name to the Cariboo-Chilcotin Regional Hospital District and reduce the boundaries by transferring the Bella Coola area back to the Central Coast Regional Hospital District.

The Hospital District has assumed the authority previously held by the Cariboo Regional Hospital District.

The Hospital District provides capital funding for health care facilities within the District's boundaries.

The Cariboo-Chilcotin Regional Hospital District operates under the provisions of the Hospital District Act.

2. Significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian public sector accounting standards (PSAS).

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

Taxation

Each municipality and electoral area within the CCRHD is requisitioned for their portion of the Hospital District service. These funds are then levied by the Municipalities and the Province (for electoral areas) to individual taxpayers and remitted to the Hospital District by August 1 of each year. Tax requisition revenues are recognized as revenue in the year in which they are levied.

Revenue recognition

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(continues)

2. Significant accounting policies *(continued)*

Budget reporting

Unaudited budget figures shown represent the Annual Budget Bylaw adopted by the Board of Directors on January 30, 2024.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. Financial instruments

The Hospital District is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Hospital District's risk exposure and concentration as of December 31, 2024.

Credit risk

Credit risk arises from cash and cash equivalents and the potential that a counter party will fail to perform its obligations. In order to reduce its credit risk, the District invests its cash and cash equivalents with high-rated financial institutions and monitors the creditworthiness of its counterparties.

During the year, the District's credit risk changed from the previous year as a result of an increase in financial assets, in particular operating cash.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rate. The Hospital District is exposed to interest rate risk on the fair value of its floating interest rate interest earned on its cash and cash equivalents.

During the year, the District's interest rate risk changed from the previous year as a result of an increase in interest rates affecting interest earned on cash and cash equivalents.

Unless otherwise noted, it is management's opinion that the Hospital District is not exposed to significant other price risks arising from these financial instruments.

4. Cash and cash equivalents

	2024	2023
Operating cash	**$ 61,101,989**	$ 63,827,117
Money market funds with the Municipal Finance Authority	**19,103,611**	18,226,852
	$ 80,205,600	$ 82,053,969

Money market funds held in a Municipal Finance Authority (MFA) pooled money market fund have an annual rate of return of approximately 4.83% (2023 – 5.07%).

5. Accounts receivable

	2024	2023
Accrued interest receivable	**$ 206,326**	$ 299,258
Trade receivable	**4,250**	4,138
	$ 210,576	$ 303,396

6. Accounts payable and accrued liabilities

	2024	2023
Global grants payable	**$ 311,790**	$ 207,136
Trade accounts payable	**5,587,276**	1,924,173
	$ 5,899,066	$ 2,131,309

7. Contingencies

During the course of the year, the Hospital District may be a defendant in a lawsuit. The Hospital District reviews any claims or potential claims made against it on a yearly basis to determine if they would be covered by insurance, and if not, whether a claim that would not be successfully defended would have any material effect on the consolidated financial statements. The management of the Hospital District is not aware of any claims or potential claims that if not successfully defended would have a material effect on the financial statements. If a claim was paid as a result of the outcome of litigation it would be treated as an expenditure.

8. Related party transactions

The Hospital District is related to the Cariboo Regional District as the members of the Board of Directors of the Cariboo Regional District form the majority of the members of the Board of Directors of the Cariboo-Chilcotin Regional Hospital District. As legislated by the Hospital District Act, the officers and employees of the Cariboo Regional District are the corresponding officers and employees of the Cariboo-Chilcotin Regional Hospital District. Each of the Regional District and the Hospital Districts are separate legal entities as authorized by separate legislation.

During the year, the Hospital District received accounting and management services from the Cariboo Regional District and paid $90,000 (2023 - $90,000) for these services.

These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. Contractual rights

The Hospital District entered into a five year contract with the City of Quesnel for the term of January 1, 2024 - December 31, 2028 to a maximum of $264,310. Contract payments are made based on delivery of services and expected as follows, 2025 - $51,805, 2026 - $52,841, 2027 - $53,898 and 2028 - $54,977. In Hospital District also agree to provide additional support, to a maximum of $388,615 for the recruitment of locums during this period. To date, $27,542 has been spent.

The Hospital District entered into a five year contract with Rogue Consulting Group Inc. for the term of January 1, 2025 - December 31, 2029. Contract payments are made based on delivery of services to a maximum of $234,439 per year. Actual contract payments are made based on delivery of services and expected as follows, 2025 - $234,439, 2026 - $234,439, 2027 - $234,439, 2028 - $234,439, 2029 - $234,439.

Cariboo-Chilcotin Regional Hospital District

Year End: December 31, 2024
Adjusting Journal Entries
Date: 2024-01-01 To 2024-12-31

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg
		Net Income (Loss) Before Adjustments					(5,569,929.26)	
1	2024-12-31	Global and Capital Grants payable	2110	CC. 3		75,853.62		
1	2024-12-31	Interior Health - 100 Mile House	5550	CC. 3	75,853.62			
		To correct the accrual of the annual 100 Mile global grant (posted backwards).						
					75,853.62	75,853.62	(5,645,782.88)	(75,853.62)
2	2024-12-31	Accrued Receivable	1200	C. 3	4,250.78			
2	2024-12-31	Grants in Lieu	4200	C. 3		4,250.78		
		To accrue the City of Quesnel grant in lieu.						
					4,250.78	4,250.78	(5,641,532.10)	4,250.78
3	2024-12-31	Accounts Payable	2100	CC. 4		67,414.03		
3	2024-12-31	Interior Health Capital Projects	5400	CC. 4	29,696.73			
3	2024-12-31	Northern Health Capital Projects	5425	CC. 4	37,717.30			
		To accrue additional payables from search for unrecorded.						
					67,414.03	67,414.03	(5,708,946.13)	(67,414.03)
					147,518.43	**147,518.43**	**(5,708,946.13)**	**(139,016.87)**

Reviewed and approved by: [signature]

Date: May 6th, 2025

Cariboo-Chilcotin Regional Hospital District

Year End: December 31, 2024
Trial balance - by mapping numbers

Account	Prelim	Adj's	Reclass	Rep	Rep 12/23	Amount Chg	%Chg
1060 Chequing Bank Account	61,308,314.62	0.00	(206,325.69)	**61,101,988.93**	63,827,117.11	**(2,725,128.18)**	(4)
1100 Investments	19,103,611.10	0.00	0.00	**19,103,611.10**	18,226,851.51	**876,759.59**	5
111.1000 Cash and short term deposits	**80,411,925.72**	**0.00**	**(206,325.69)**	**80,205,600.03**	**82,053,968.62**	**(1,848,368.59)**	**(2)**
1200 Accrued Receivable	0.00	4,250.78	206,325.69	**210,576.47**	303,396.21	**(92,819.74)**	(31)
115.1060 Accounts receivable	**0.00**	**4,250.78**	**206,325.69**	**210,576.47**	**303,396.21**	**(92,819.74)**	**(31)**
2100 Accounts Payable	(19,609.02)	(67,414.03)	(5,500,252.66)	**(5,587,275.71)**	(1,924,172.90)	**(3,663,102.81)**	190
2110 Global and Capital Grants payable	(5,736,190.39)	(75,853.62)	5,500,252.66	**(311,791.35)**	(207,136.36)	**(104,654.99)**	51
215.2620 Accounts payable and accrued liabiliti	**(5,755,799.41)**	**(143,267.65)**	**0.00**	**(5,899,067.06)**	**(2,131,309.26)**	**(3,767,757.80)**	**177**
3560 Ending Surplus - Previous Year	(80,226,055.57)	0.00	0.00	**(80,226,055.57)**	(77,809,119.86)	**(2,416,935.71)**	3
280.0001 Operating Fund	**(80,226,055.57)**	**0.00**	**0.00**	**(80,226,055.57)**	**(77,809,119.86)**	**(2,416,935.71)**	**3**
4100 Municipal Tax Requisition	(4,157,863.00)	0.00	0.00	**(4,157,863.00)**	(4,063,965.00)	**(93,898.00)**	2
4150 Electoral Area Requisition	(9,588,825.00)	0.00	0.00	**(9,588,825.00)**	(9,086,909.00)	**(501,916.00)**	6
311.8000.01 Taxation - net	**(13,746,688.00)**	**0.00**	**0.00**	**(13,746,688.00)**	**(13,150,874.00)**	**(595,814.00)**	**5**
4200 Grants in Lieu	(10,024.08)	(4,250.78)	0.00	**(14,274.86)**	(12,763.62)	**(1,511.24)**	12
311.8000.02 Grants in lieu of taxes	**(10,024.08)**	**(4,250.78)**	**0.00**	**(14,274.86)**	**(12,763.62)**	**(1,511.24)**	**12**
4250 Interest Income	(4,042,309.96)	0.00	0.00	**(4,042,309.96)**	(4,216,884.16)	**174,574.20**	(4)
311.8000.03 Interest	**(4,042,309.96)**	**0.00**	**0.00**	**(4,042,309.96)**	**(4,216,884.16)**	**174,574.20**	**(4)**
5150 Liability Insurance	2,500.00	0.00	0.00	**2,500.00**	2,500.00	**0.00**	0
523.8690 Insurance	**2,500.00**	**0.00**	**0.00**	**2,500.00**	**2,500.00**	**0.00**	**0**
5400 Interior Health Capital Projects	22,074,387.80	29,696.73	0.00	**22,104,084.53**	11,555,493.48	**10,548,591.05**	91
5425 Northern Health Capital Projects	295,301.62	37,717.30	0.00	**333,018.92**	2,441,273.88	**(2,108,254.96)**	(86)
581.9270.01 Capital projects	**22,369,689.42**	**67,414.03**	**0.00**	**22,437,103.45**	**13,996,767.36**	**8,440,336.09**	**60**
5500 Northern Health - GR Baker	194,500.00	0.00	0.00	**194,500.00**	194,500.00	**0.00**	0
5525 Interior Health - Cariboo Memorial	194,500.00	0.00	0.00	**194,500.00**	194,500.00	**0.00**	0
5550 Interior Health - 100 Mile House	47,566.37	75,853.62	0.00	**123,419.99**	123,420.00	**(0.01)**	0
581.9270.02 Global grants	**436,566.37**	**75,853.62**	**0.00**	**512,419.99**	**512,420.00**	**(0.01)**	**0**
5100 Administrative Expense	90,000.00	0.00	0.00	**90,000.00**	90,000.00	**0.00**	0
5200 Banking and Interest Charges	155.18	0.00	0.00	**155.18**	150.07	**5.11**	3
581.9270.03 Administration overhead	**90,155.18**	**0.00**	**0.00**	**90,155.18**	**90,150.07**	**5.11**	**0**
5300 Recruitment and Retention	298,731.33	0.00	0.00	**298,731.33**	320,048.64	**(21,317.31)**	(7)
581.9270.04 Recruitment and retention	**298,731.33**	**0.00**	**0.00**	**298,731.33**	**320,048.64**	**(21,317.31)**	**(7)**
5350 Foundation Partners Grants	171,309.00	0.00	0.00	**171,309.00**	41,700.00	**129,609.00**	311
581.9270.05 Non-recurring capital grant	**171,309.00**	**0.00**	**0.00**	**171,309.00**	**41,700.00**	**129,609.00**	**311**
	0.00	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0**
Net Income (Loss)	**(5,569,929.26)**			**(5,708,946.13)**	**2,416,935.71**	**(8,125,881.84)**	**(336)**

CARIBOO-CHILCOTIN REGIONAL HOSPITAL DISTRICT

Suite D - 180 North 3rd Ave
Williams Lake, BC
V2G 2A4

May 2, 2025

PMT Chartered Professional Accountants LLP
260D Broadway Avenue N
Williams Lake BC V2G 2X9

Dear Sir / Madam:

This representation letter is provided in connection with your audit of the financial statements of Cariboo-Chilcotin Regional Hospital District for the year ended December 31, 2024 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards (PSAS).

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

1. Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated November 19, 2024 for:

a. Preparing and fairly presenting the financial statements in accordance with PSAS;

b. Providing you with:

   i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:

      A. Accounting records, supporting data and other relevant documentation,

      B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and

      C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;

   ii. Additional information that you have requested from us for the purpose of the audit; and

   iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.

c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and

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

2. Fraud and Non Compliance

We have disclosed to you:

a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:

   i. Management;

   ii. Employees who have significant roles in internal control; or

(continued)

iii. Others where the fraud could have a material effect on the financial statements;

b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;

c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;

d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and

e. The results of our risk assessments regarding possible fraud or error in the financial statements.

3. Related Parties

We have disclosed to you the identity of all of the Hospital District's related-party relationships and transactions of which we are aware. All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of PSAS.

4. Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with PSAS. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the methods, significant assumptions and the data used by us in making accounting estimates and related financial statement disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with PSAS.

5. Subsequent Events

All events subsequent to the date of the financial statements and for which PSAS requires adjustment or disclosure have been adjusted or disclosed.

6. Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

7. Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

8. Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole.

9. Accounting policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

10. Contractual compliance

We have complied with the terms and conditions of all contractual agreements that could have a material effect, in the event of non-compliance, on the financial statements.

11. Direct liabilities

We have recorded in the accounts all known liabilities of our Hospital District as at December 31, 2024 except for trivial amounts.

12. Fair values

We confirm that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

(continued)

13. Financial instruments

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

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

When an impairment is necessary, the carrying amount of the asset, or group of assets, has been reduced to the highest of the cash flows expected to be generated by holding the asset, the amount that could be realized by selling the asset and the amount that the entity expects to realize by exercising any right to collateral held to secure repayment of the asset net of all costs necessary to exercise those rights. The amount of the decline in fair value has been included in net income in the period incurred.

14. Future plans

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

15. Journal entries

We have approved all journal entries and other adjustments proposed by you, and they have been included in our financial statements.

16. Liabilities and contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

17. Material measurement uncertainties

The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

18. Receivables

The accounts receivable reflected in the accounts constitute valid claims against customers and other debtors. They do not include amounts for goods shipped on consignment, approval or under repurchase commitments, or for goods shipped after December 31, 2024.

Receivables known to be uncollectible have been written off, and adequate provision has been made for anticipated adjustments or losses in connection with the collection of receivables.

19. Revenue recognition

We have recorded all revenue that met the following criteria:

a. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.;

b. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

20. Subsequent events

There have been no events between the balance sheet date and the date of this letter that would require recognition or disclosure in the financial statements.

There have been no events subsequent to the balance sheet date of the comparative financial statements that would require adjustment or disclosure in the current financial statements.

(continued)

21. Proceeds of Crime (Money Laundering) and Terrorist Financing Act

We hereby acknowledge that PMT Chartered Professional Accountants LLP have made us aware of your legal obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize PMT Chartered Professional Accountants LLP to release and disclose information about Cariboo-Chilcotin Regional Hospital District as required by statute.

22. None of the directors were in debt to the Hospital District

None of the directors were in debt to the Hospital District, other than in the ordinary course of business at the period-end or at any time during the period.

23. Management fees, wages or bonuses paid to (or accrued on behalf of) related parties

All management fees, bonuses or other remuneration paid to or accrued on behalf of directors or related parties represent the fair market value of services performed for, or goods provided to, the Hospital District.

Acknowledged and agreed on behalf of Cariboo-Chilcotin Regional Hospital District by:

____

May 2nd, 2025
____
Date signed

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

260D Broadway Avenue N
Williams Lake, BC V2G 2X9
Telephone 250-392-2911
Fax 250-392-5789
www.pmtcpa.com

November 19, 2024

Cariboo-Chilcotin Regional Hospital District
Suite D - 180 North 3rd Ave
Williams Lake BC V2G 2A4

Attention: Mr. Al Richmond

Dear Al:

The Objective and Scope of the Audit

You have requested that we audit the financial statements of Cariboo-Chilcotin Regional Hospital District (the "Hospital District"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and annual surplus (deficit), changes in net financial assets (debt) and cash flows for the year then ended, and notes to the financial statements (including a summary of significant accounting policies) .

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement, and all services related thereto, by means of this letter (the "Engagement").

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

The Responsibilities of the Auditor

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatement of the financial statements (whether due to fraud or error), design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

e. Evaluate the overall presentation, structure and content of the financial statements (including the disclosures) and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

Form and Content of Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the following form contained in Appendix A to this letter.

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance.

The Responsibilities of Management

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance / oversight acknowledge and understand that they have responsibility:

a. For the preparation and fair presentation of the financial statements in accordance with PSAS.

b. For the design and implementation of such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

c. To provide us with timely:

    i. Access to all information of which management is aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;

    ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;

    iii. Additional information that we may request from management for the purpose of the audit; and

        A. Copies of all minutes of meetings of shareholders, directors and committees of directors;

        B. Information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;

        C. Information relating to any illegal or possibly illegal acts, and all facts related thereto;

        D. A listing of all related parties and related-party transactions and information pertaining to the measurement and disclosure of transactions with those related parties;

        E. An assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the financial statements;

        F. Any plans or intentions that may affect the carrying value or classification of assets or liabilities;

G. An assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with *MEASUREMENT UNCERTAINTY, Section 1508* of the CPA Canada Handbook - Accounting, Part II;

H. Information relating to claims and possible claims, whether or not they have been discussed with Cariboo-Chilcotin Regional Hospital District's legal counsel;

I. Information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which Cariboo-Chilcotin Regional Hospital District is contingently liable;

J. Information on whether Cariboo-Chilcotin Regional Hospital District has satisfactory title to assets, whether liens or encumbrances on assets exist, and whether assets are pledged as collateral;

K. Information relating to compliance with aspects of contractual agreements that may affect the financial statements; and

L. Information concerning subsequent events.

iv. Unrestricted access to persons within Cariboo-Chilcotin Regional Hospital District from whom we determine it necessary to obtain audit evidence.

As part of our audit process:

a. We will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audit, we will request from management [and, where appropriate, those charged with governance] written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.

b. We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

Use of Information

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and

b. We will hold all personal information in compliance with our Privacy Statement.

File Inspections

In accordance with professional regulations (and by our firm's policy), our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and firm standards. File reviewers are required to maintain confidentiality of client information.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of Cariboo-Chilcotin Regional Hospital District unless:

a. We have been specifically authorized with prior consent;

b. We have been ordered or expressly required by law or by the British Columbia *Code of Professional Conduct*; or

c. The information requested is (or enters into) public domain.

Use and Distribution of Our Report

The examination of the financial statements and the issuance of our audit report are solely for the use of Cariboo-Chilcotin Regional Hospital District and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than Cariboo-Chilcotin Regional Hospital District.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our audit report should not be circulated (beyond Cariboo-Chilcotin Regional Hospital District) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

If you require our consent in this regard, management agrees to provide, on a timely basis, a draft of the other information for our review prior to the issuance of the audit report.

Reproduction of Auditor's Report

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information in the electronic site with the original document.

Preparation of Schedules

We understand that you and your employees will prepare certain schedules and locate specified documents for our use before our Engagement is planned to commence.

This assistance will facilitate our work and help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or even withdraw from the Engagement.

Communications

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from, any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of British Columbia. The Province of British Columbia will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Accounting Advice

Except as outlined in this letter, this Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

Dispute Resolution

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

Indemnity

Cariboo-Chilcotin Regional Hospital District hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

a. The breach by Cariboo-Chilcotin Regional Hospital District, or its directors, officers, agents or employees, of any of the covenants or obligations of Cariboo-Chilcotin Regional Hospital District herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.

b. A misrepresentation by a member of your management or the those charged with governance.

Limitation of Liability

Our aggregate liability for all claims, losses, liabilities and damages in connection with this Engagement, whether as a result of breach of contract, tort (including negligence), or otherwise, regardless of the theory of liability, is limited to $100,000. Our liability shall be several and not joint and several. We shall only be liable for our proportionate share of any loss or damage, based on our contribution relative to the others' contributions and only if your claim is commenced within 24 months or less of the date Cariboo-Chilcotin Regional Hospital District should have been aware of the potential claim. In addition, we will not be liable in any event for consequential, incidental, indirect, punitive, exemplary, aggravated or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.

Time Frames

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by Cariboo-Chilcotin Regional Hospital District of its obligations.

Fees at Regular Billing Rate

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable GST, and are due when rendered. Fees for any additional services will be established separately.

Billing

Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 2.00% per month. We reserve the right to suspend our services or to withdraw from this Engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

Costs of Responding to Government or Legal Processes

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this Engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable GST) incurred.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party. If early termination takes place, Cariboo-Chilcotin Regional Hospital District shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the audit or are unable to form, or have not formed, an opinion on the financial statements, we may withdraw from the audit before issuing an auditor's report, or we may disclaim an opinion on the financial statements. If this occurs, we will communicate the reasons and provide details.

Survival of Terms

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

GST Services - Audit

It should be noted that our audit work in the area of GST and other commodity taxes is limited to that appropriate to form an opinion regarding the financial statements. Accordingly, the audit process may not detect situations where you are incorrectly collecting GST or incorrectly claiming input tax credits. As you are aware, failure to properly account for the GST could result in you or your Hospital District becoming liable for tax, interest or penalties. These situations may also arise for provincial sales tax, custom duties, and excise taxes.

Consequential Loss

Our firm and its partners, officers or employees will not be responsible for any consequential loss, injury or damages suffered by the client including but not limited to loss of use, earnings and business interruption, or the unauthorized distribution of any confidential document or report prepared by or on behalf of our firm, including the partners, officers or employees of the accounting firm for the exclusive use of the client.

Relevant Parties

The client will not assert any claim for damages against our firm unless the client has concurrently or previously asserted a claim against all other persons who might reasonably be liable in relation to that claim. Any release, waiver, or covenant to otherwise not sue or enforce any remedy known to law given by the client to a third party shall be deemed to apply in favour of our firm.

Third Parties

The financial documents are prepared solely for the use of the client with whom we have entered into a contract and there are no representations of any kind made by us to any party with whom we have not entered into a written contract.

Foreign Reporting

It is understood and agreed that the Hospital District is aware of the foreign reporting rules effective for tax years starting in 1996, and we are relying on the Hospital District to provide us with the necessary information. The Hospital District may be required to file information returns to comply with these rules if it has:

1. One or more controlled and not-controlled foreign affiliates (Form T1134). Form T1134 is due no later than 10 months after the end of your taxation year or fiscal period.
2. Transferred or loaned property to a non-resident/off-shore trust any time after 1990 (Form T1141). Filing deadline is six months after the end of the taxation year.
3. Received distributions from or is indebted to a non-resident trust (Form T1142). Filing deadline is six months after the end of the taxation year.
4. Foreign property with a total cost of more than Cdn $100,000 (Form T1135). Form T1135 is not required if the foreign property (such as shares of a foreign affiliate, an interest in an offshore trust) is reported on one of the other foreign reporting forms above. The filing deadline is six months after the end of the taxation year.

Failure to comply may result in significant penalties that are not deductible for income tax purposes. There are more penalties to those persons who make or participate in the making of a false statement or omission on the new information returns. Therefore, we must impress upon you the importance of carrying out due diligence to file these returns accurately and completely.

Other Reports

You agree that we are not engaged to prepare any other filings required by any government body, including but not limited to filing with respect to provincial, federal and municipal filings with respect to ownership and occupancy of property are beyond the scope of this engagement,

Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your Hospital District.

Yours truly,

PMT CHARTERED PROFESSIONAL ACCOUNTANTS LLP

J. Francis

JoAnn M. Francis, CPA, CA
joann@pmtcpa.com

Acknowledged and agreed to on behalf of Cariboo-Chilcotin Regional Hospital District by:

Dec 6/24

Date signed

PMT CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Appendix A - Expected Form of Report

INDEPENDENT AUDITOR'S REPORT

To the Directors of Cariboo-Chilcotin Regional Hospital District

Report on the Financial Statements

Opinion

We have audited the financial statements of Cariboo-Chilcotin Regional Hospital District (the "Hospital District"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and annual surplus (deficit), changes in net financial assets (debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital District as at December 31, 2024, and the results of its operations and cash flow for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Hospital District in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Hospital District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Hospital District or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Appendix A *(continued)*

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Williams Lake, BC

PMT CHARTERED PROFESSIONAL ACCOUNTANTS LLP

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

260D Broadway Avenue N
Williams Lake, BC V2G 2X9
Telephone 250-392-2911
Fax 250-392-5789
www.pmtcpa.com

April 13, 2025

CLIENT'S COPY
PLEASE RETAIN FOR YOUR RECORDS

Cariboo-Chilcotin Regional Hospital District
Suite D - 180 North 3rd Ave
Williams Lake BC V2G 2A4

Attention: Mr. Al Richmond

Dear Al:

This letter has been prepared to assist you with your review of the financial statements of Cariboo-Chilcotin Regional Hospital District for the year ending December 31, 2024. We look forward to meeting with you and discussing the matters outlined below.

Audit Status

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

a. Receipt of a signed representation letter by management;

b. Obtaining evidence of the Board's approval of the financial statements by signing the attached Statement of Financial Position;

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

Significant Risks

The following is a list of the significant risks that we identified during the engagement as well as our audit responses:

#	Description of each significant risk	Audit response
1	Management override	Testing of journal entries, review of estimates for biases, and evaluation whether the circumstances producing bias represent a risk of material misstatement due to fraud.
2	Accounts payable - completeness	Review of subsequent bank statements and invoices to confirm correct expense recognition.

Significant Matters Arising

Changes to Audit Plan

There were no changes to the audit plan (as previously presented to you).

Other matters

We have not identified any other significant matters that we wish to bring to your attention at this time.

Significant Difficulties Encountered

There were no significant difficulties encountered during our audit.

Comments on Accounting Practices

Accounting Policies

The significant accounting policies used by the entity are outlined in Note 2 to the financial statements.

a. There were no significant changes in accounting policies.

b. We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.

c. We did not identify any significant accounting policies in controversial or emerging areas.

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

Uncorrected Misstatements

We accumulated uncorrected misstatements that we identified during our audit and communicated them to management. We then requested that management correct these misstatements. All uncorrected misstatements for the current period have been corrected with the exception of the following:

#	Nature of uncorrected misstatement	Effect on the financial statements	Management's reason for not correcting
1	Unrecorded payables as at December 31, 2024 to allocate invoices between fiscal years.	Accounts payable lower in the current year. Capital projects will be lower in the current year and higher in the subsequent year by a corresponding amount.	Not considered material and will self-correct in 2025.

There are no uncorrected misstatements from prior year financial statements.

Significant Deficiencies in Internal Control

A deficiency in internal control exists when a risk is not treated by a control or when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

To identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during our audit.

We did not identify any control deficiencies that, in our judgment, would be considered significant deficiencies.

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Written Representations

In a separate communication, called the client representation letter, we have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian public sector accounting standards.

Other Audit Matters of Governance Interest

We did not identify any other matters to bring to your attention at this time.

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

We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

This letter was prepared for the sole use of those charged with governance of Cariboo-Chilcotin Regional Hospital District to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,

PMT CHARTERED PROFESSIONAL ACCOUNTANTS LLP

J. Francis

JoAnn M. Francis, CPA, CA