



**SUNSHINE COAST REGIONAL HOSPITAL DISTRICT
BOARD MEETING
AGENDA**

Thursday, April 30, 2026, 1:00 p.m.

**IN THE BOARDROOM OF THE SUNSHINE COAST
REGIONAL DISTRICT OFFICES AT 1975 FIELD ROAD, SECHELT, B.C.**

	Pages
1. CALL TO ORDER	
2. AGENDA	
2.1 Adoption of Agenda	
3. MINUTES	
3.1 Sunshine Coast Regional Hospital District Board Meeting Minutes of March 26, 2026	2
4. BUSINESS ARISING FROM MINUTES AND UNFINISHED BUSINESS	
5. PRESENTATIONS AND DELEGATIONS	
5.1 Cory Vanderhorst, Regional Assurance Partner of MNP LLP Auditors Regarding:	5
1. 2025 Audit Finding - Report to the Board of Directors	
2. Draft Independent Auditor's Report	
3. SCRHD Draft Financial Statements Year Ended December 31, 2025	
6. REPORTS	
6.1 Sunshine Coast Regional Hospital District (SCRHD) Draft Audited Financial Statements - Year Ended December 31, 2025 -Manager, Budgeting and Grants	25
7. COMMUNICATIONS	
7.1 Honourable Josie Osborne, Minister of Health dated March 31, 2026 Regarding: Increased capacity and access to long-term care for the Sunshine Coast	47
8. MOTIONS	
9. BYLAWS	
10. NEW BUSINESS	
11. IN CAMERA	
12. RELEASE OF ITEMS FROM IN CAMERA	
13. ADJOURNMENT	



SUNSHINE COAST REGIONAL HOSPITAL DISTRICT
MINUTES OF THE SUNSHINE COAST REGIONAL HOSPITAL DISTRICT BOARD
MEETING

March 26, 2026
IN THE BOARDROOM OF THE SUNSHINE COAST
REGIONAL DISTRICT OFFICES AT 1975 FIELD ROAD, SECHelt, B.C.

PRESENT: Chair: D. McMahon, Electoral Area E
L. Lee, Electoral Area A
J. Gabias, Electoral Area B
K. Backs, Electoral Area D
K. Stamford, Electoral Area F
A. Toth, District of Sechelt
D. Inkster, District of Sechelt (Part)

ALSO PRESENT: T. Perreault, Chief Administrative Officer
S. Reid, Corporate Officer
A. Taylor, Manager, Budgeting and Grants
T. Crosby, Business Coordinator / Recorder

OTHERS: Media: 1
Public: 28

CALL TO ORDER

The meeting was called to order at 9:04 a.m.

AGENDA

11/26 It was moved and seconded

THAT the agenda for the meeting be adopted as presented

CARRIED

In the absence of Chair White, Vice-Chair McMahon assumed the Chair.

Director Backs was appointed Vice-Chair.

MINUTES

Sunshine Coast Regional Hospital District Board Meeting Minutes of January 15, 2026

12/26 It was moved and seconded

THAT the Sunshine Coast Regional Hospital District Board Meeting Minutes of January 15, 2026 be adopted as presented.

CARRIED

REPORTS

A Home for Hospice - Designation as Health Facility - Update

13/26 It was moved and seconded

THAT a letter be sent to the Ministry of Health to request the Sunshine Coast Hospice Society's 'A Home for Hospice' be designated a health facility;

AND THAT upon the Hospice being designated as a health facility, the Sunshine Coast Regional Hospital District commit \$1,000,000 in capital funding toward the 'A Home for Hospice' project, funded from Reserves.

CARRIED

The Committee recessed at 9:12 a.m. and reconvened at 9:14 a.m.

2026 Sunshine Coast Regional Hospital District Final Budget

14/26 It was moved and seconded

THAT the 2026 Sunshine Coast Regional Hospital District Final Budget be approved as presented.

CARRIED

Director Inkster joined the meeting at 9:20 a.m.

Sunshine Coast Regional Hospital District Board - Chair's Report (Verbal)

Stricken from the agenda due to the Chair's absence.

COMMUNICATIONS

Briefing Note from the Sunshine Coast Hospice Society dated March 17, 2026

15/26 It was moved and seconded

THAT the Briefing Note from the Sunshine Coast Hospice Society dated March 17, 2026 regarding an update on the Mossy Rock Hospice ('A Home for Hospice' project) be received for information.

CARRIED

BYLAWS

Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 95, 2026

16/26 It was moved and seconded

THAT *Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 95, 2026* be read a first, second and third time.

CARRIED

17/26 It was moved and seconded

THAT *Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 95, 2026* be adopted.

CARRIED

ADJOURNMENT

18/26 It was moved and seconded

THAT the Sunshine Coast Regional Hospital District Board meeting be adjourned.

CARRIED

The meeting adjourned at 9:29 a.m.

Certified Correct by the Corporate Officer

Date Confirmed

Chair



Sunshine Coast Regional Hospital District

2025 Audit Findings

Report to the Board of Directors

December 31, 2025

Cory Vanderhorst, CPA, CA

T: 250.734.4319

E: 250.753.8251



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Overview

We are pleased to submit to you this Audit Findings Report (the "Report") for discussion of our audit of the financial statements of Sunshine Coast Regional Hospital District (the "Hospital District") as at December 31, 2025 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of the Board of Directors.

As auditors, we report to the Board on the results of our examination of the financial statements of the Hospital District as at and for the year ended December 31, 2025. The purpose of this Report is to assist you, as members of the Board of Directors, in your review of the results of our audit.

This Report is intended solely for the information and use of the Board of Directors and management and should not be distributed to or used by any other parties than these specified parties.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Engagement Status

We have substantially completed our audit of the financial statements of the Hospital District which has been carried out in accordance with Canadian generally accepted auditing standards and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedure:

- The Board of Directors' review and approval of the financial statements

No significant limitations were placed on the scope or timing of our audit.

Independent Auditor's Report








We expect to have the above procedures completed and to release our Independent Auditor's Report on April 30, 2026.




Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the Board of the Hospital District. A draft copy of our proposed Independent Auditor's Report has been provided under separate cover. The matters disclosed in the Independent Auditor's Report are discussed further in the relevant sections of the Report.

Audit Reporting Matters

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the financial statements considered separately.

Significant Audit, Accounting and Reporting Matters

Area		Comments
	Changes from Audit Service Plan	There were no deviations from the Audit Service Plan previously presented to you.
	Final Materiality	Final materiality used for our audit was \$105,000 for December 31, 2025.
	Identified or Suspected Fraud	While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.
	Identified or Suspected Non-Compliance with Laws and Regulations	Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the financial statements.
	Matters Arising in Connection with Related Parties	No significant matters arose during the course of our audit in connection with related parties of the Hospital District.
	Going Concern	No events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern.
	Auditor's Views of Significant Accounting Practices, Accounting Policies and Accounting Estimates	<p>The application of Canadian public sector accounting standards allows and requires the Hospital District to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.</p> <p>As auditors, we are uniquely positioned to provide open and objective feedback regarding your Hospital District's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.</p> <p>The accounting policies used by the Hospital District are appropriate and have been consistently applied.</p>

Area		Comments
	Financial Statement Disclosures	The disclosures made in the notes to the financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the financial statements.
	Significant Deficiencies in Internal Control	While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention.
	Matters Arising From Discussions with Management	There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.

Significant Risk Areas and Responses

Significant Risk Area	Response and Conclusion
Management override of internal controls	<p>To respond to the overall risk of material misstatement due to fraud regarding management's override of controls, we perform the following procedures:</p> <ol style="list-style-type: none"> 1. Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements 2. Review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud, if applicable 3. Evaluate the rationale behind significant transactions that are not in the normal course of business and whether they have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets

Other Areas

Area	Comments
Auditor Independence	We confirm to the Board of Directors that we are independent of the Hospital District. Our letter to the Board of Directors discussing our independence is attached to this report.
Management Representations	We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit. This letter, provided by management, has been included as additional material to this report.
Summary of Significant Differences	No significant differences were proposed to management with respect to the December 31, 2025 financial statements.
Accumulated Surplus	There is a deficit balance in the Current fund of \$32,39. Current fund includes a \$47,960 unfunded liability for interest on long-term debt contributing to the negative position. This deficit can be replenished by way of 2026 surplus, a reduction in 2026 budgeted transfers and/or a transfer out of reserves into the Current fund.

We appreciate having the opportunity to meet with you and respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,



MNP LLP

Chartered Professional Accountants

Independence Communication

April 30, 2026

Board of Directors
Sunshine Coast Regional Hospital District
1975 Field Road
Sechelt, BC V7Z 0A8

Dear Sirs/Mesdames:

We have been engaged to audit the financial statements of Sunshine Coast Regional Hospital District (the "Hospital District") as at December 31, 2025 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the Hospital District and its related entities or persons in financial reporting oversight roles at the Hospital District and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) 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 or a related entity;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client or a related entity;
- (d) Economic dependence on a client; and
- (e) Provision of non-assurance services in addition to the audit engagement.

We are not aware of any relationship between the Hospital District and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from January 1, 2025 to date of this letter.

We hereby confirm that MNP is independent with respect to the Hospital 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 report is intended solely for the use of Board of Directors, management and others within the Hospital District and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Sincerely,



MNP LLP

Chartered Professional Accountants

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And proud of it!

At MNP we're proud to be the national accounting, consulting and tax firm that is 100% Made in Canada.

Our history defines who we are and our approach to business. Being a Canadian firm has helped shape our values, our collaborative approach, and the way we work with our clients, engaging them every step of the way.

We have a unique perspective. Our decisions are made here – decisions that drive Canadian business and help us all achieve success — and we know the impact that our choices have on the cities and towns we call home.

Throughout our six decades of work, we've seen our communities are more than just a place we do business in. They're a place where our families live, play, and thrive, and we work to make them the best places they can be.

Being 100% Canadian is something we wear proudly. This country provides us with great opportunities, and we're here to help our clients seize the opportunities so we can create a brighter future for the generations to come.



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Independent Auditor's Report

To the Board of Directors of the Sunshine Coast Regional Hospital District:

Opinion

We have audited the financial statements of the Sunshine Coast Regional Hospital District (the "Hospital District"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, 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, 2025, and the results of its operations, net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, 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.

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.

Nanaimo, British Columbia

April 30, 2026

Chartered Professional Accountants

Financial Statements of
**SUNSHINE COAST REGIONAL
HOSPITAL DISTRICT**
For Year Ended December 31, 2025

Sunshine Coast Regional Hospital District

Statement Of Financial Position
As at December 31, 2025 and 2024

	2025	2024
Financial Assets		
Cash and cash equivalents	\$ 696,262	\$ 987,074
Portfolio investments (Note 4)	2,522,124	2,579,159
Accounts receivable	43,049	42,926
Restricted cash: MFA debt reserve fund (Note 5)	251,065	243,766
	3,512,500	3,852,925
Liabilities		
Accounts payable	47,960	126,941
Long-term debt (Note 5)	2,062,119	3,041,178
	2,110,079	3,168,119
Net Financial Assets and Accumulated Surplus (Note 6)	\$ 1,402,421	\$ 684,806
Commitments (Note 8)		

Tina Perreault
Chief Financial Officer

Silas White
Chair

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional Hospital District

Statement Of Operations

For the Years Ended December 31, 2025 and 2024

	Fiscal Plan 2025 (Note 7)	Actual 2025	Actual 2024
Revenue			
Grants in lieu of taxes	\$ 100	\$ 142	\$ 100
Tax requisitions	1,716,442	1,716,442	1,509,814
Investment income	135,500	164,900	212,197
Other revenue (Note 5(b))	417,223	417,223	384,114
	2,269,265	2,298,707	2,106,225
Expenses			
Administration (Note 3)	33,611	33,611	40,896
Debt charges - interest	583,511	583,511	583,511
Government transfers - capital grants	1,336,561	963,935	1,201,953
Bank charges and interest	100	35	72
	1,953,783	1,581,092	1,826,432
Annual Surplus	315,482	717,615	279,793
Accumulated Surplus, beginning of year	684,806	684,806	405,013
Accumulated Surplus, end of year	\$ 1,000,288	\$ 1,402,421	\$ 684,806

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional Hospital District

Statement of Change in Net Financial Assets For the Years Ended December 31, 2025 and 2024

	Fiscal Plan 2025 (Note 7)	2025	2024
Annual surplus	\$ 315,482	\$ 717,615	\$ 279,793
Net financial assets, beginning	684,806	684,806	405,013
Net Financial Assets, ending	\$ 1,000,288	\$ 1,402,421	\$ 684,806

DRAFT

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional Hospital District

Statement Of Cash Flows

For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating Transactions:		
Annual Surplus	\$ 717,615	\$ 279,793
Items not involving cash included in annual surplus:		
Decrease (Increase) in accounts receivable	(123)	27,547
Increase (Decrease) in accounts payable	(78,981)	78,981
Total Operating Transactions	638,511	386,321
Investing Transactions:		
Decrease in portfolio investments	57,035	351,628
Financing Transactions:		
Repayment of long-term debt	(979,059)	(945,950)
Increase in restricted cash: MFA debt reserve fund	(7,299)	(8,203)
Total Financing Transactions	(986,358)	(954,153)
Net decrease in cash and equivalents	(290,812)	(216,204)
Cash and equivalents, beginning of year	987,074	1,203,278
Cash and equivalents, end of year	\$ 696,262	\$ 987,074

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2025 and 2024

1. Operations:

The Sunshine Coast Regional Hospital District was established by an Order of the Lieutenant Governor in Council on June 20, 1968 and is governed by the Hospital District Act. The Sunshine Coast Regional Hospital District is responsible for financing and funding of capital activities relating to hospital facilities within the boundaries Sunshine Coast Regional Hospital District.

2. Significant Accounting Policies

The preparation of the Financial Statements is the responsibility of the management of the Sunshine Coast Regional Hospital District. The accounting policies used within these statements conform to Canadian Public Sector Accounting Standards ("PSAS"). They have been prepared in accordance with current recommendations issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada

(a) Revenue recognition:

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual tax requisitions are recorded as taxes for Hospital District services in the year they are requisitioned.

Investment income and other revenue are recognized in the period in which they are earned.

(b) Expense recognition:

Operating expenses are recognized on an accrual basis in the period in which they are incurred.

(c) Cash and cash equivalents:

Cash consists of cash on hand, cash in transit, and cash on deposit. Cash equivalents are short-term investments with an original maturity of three months or less, made to obtain a return on a temporary basis and are carried at cost.

(d) Financial Instruments

The Sunshine Coast Regional Hospital District recognizes its financial instruments when the Sunshine Coast Regional Hospital District becomes party to the contractual provisions of the financial instruments. All financial instruments are initially recorded at their fair value.

The Sunshine Coast Regional Hospital District subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The Sunshine Coast Regional Hospital District has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2025 and 2024

2. Significant Accounting Policies (Continued)

(d) Financial Instruments (Continued)

must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

(e) Government Transfers

Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

3. Related Party Transactions:

The Sunshine Coast Regional Hospital District is related to the Sunshine Coast Regional District since the same individuals are members of the Board of Directors of both organizations. As legislated by the Hospital District Act, the officers of the Sunshine Coast Regional Hospital District are the corresponding officers of the Sunshine Coast Regional District. Each of the Hospital District and Regional District are separate legal entities as defined by separate Letters Patent and authorized by separate legislation. In 2025, the Hospital District paid, at cost, to the Sunshine Coast Regional District an amount of \$33,611 (2024 - \$40,896) for general accounting and administration services provided to the Hospital District. These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4. Portfolio Investments:

	2025	2024
Municipal Finance Authority ¹	\$ 685,528	\$ 829,317
Sunshine Coast Credit Union ²	32	31
BlueShore Financial ³	1,836,564	1,458,055
National Bank of Canada	-	291,756
	\$ 2,522,124	\$ 2,579,159

¹ Municipal Finance Authority investments are pooled investment funds by which local governments in B.C. can access high-quality investments while maintaining a high degree of security and liquidity. Interest rates are variable. The average yield in 2025 was 2.80% (2024 - 4.70%).

² Investments with Sunshine Coast Credit Union consist of an equity share, recorded at cost

³ Investments with BlueShore Financial consists of term deposits at interest rates of 3.45% to 5.95% to maturity in 2026, recorded at cost.

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2025 and 2024

5. Long Term Debt:

All long term debt is issued through the Municipal Finance Authority of British Columbia (MFA). The MFA is the borrowing agent for municipalities, regional districts and hospital districts in the province of British Columbia. All debenture debt issued by the MFA is sinking fund debt.

The MFA is required to establish a Debt Reserve Fund into which each borrower who shares in the proceeds of a debt issue is required to pay certain amounts set out in the financing agreements. The Debt Reserve Fund is comprised of cash deposits and non-interest bearing demand notes. Cash deposits and interest earned on these funds (less administrative expenses) becomes an obligation of the MFA to the borrower. If at any time insufficient funds are provided by the borrowers, the MFA will then use these funds to meet payments on it obligations. Should this occur, the borrowers may be called upon to restore the fund. The balance of the Debt Reserve Fund cash deposits at December 31, 2025 is \$251,065 (2024: \$243,766).

(a) Sinking fund debentures issued through the Municipal Finance Authority:

Issue	Interest Rate	2025	2024
102 Issued in 2007, maturing in 2027	3.90 %	\$ 2,062,119	\$ 3,041,178
Future principal repayments on existing long term debt:			
2026		\$ 1,013,326	
2027			1,048,793
		\$ 2,062,119	

(b) Actuarial earnings:

Long term debt is recorded net of any sinking fund balances. Actuarial sinking fund earnings recognized in 2025 totalled \$417,223 (2024 - \$384,114).

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2025 and 2024

6. Accumulated Surplus:

	2025	2024
Fund Balances:		
Current fund ¹	\$ (32,390)	\$ 171,812
Reserve fund ²	1,860,366	2,007,056
Capital fund ³	(676,620)	(1,737,828)
Debt reserve funds	251,065	243,766
Accumulated Surplus, end of year	\$ 1,402,421	\$ 684,806

¹ Consists of funds requisitioned to fund capital improvement projects and equipment with a value less than \$150,000. Current fund includes a \$47,960 unfunded liability for interest on long-term debt contributing to the negative position.

² Consists of surplus funds requisitioned to fund capital improvement projects and equipment with a value greater than \$150,000.

³ Consists of surplus funds borrowed and/or requisitioned to fund major capital projects, less outstanding long-term debt repayable in future years. Surplus funds available to fund projects as at December 31, 2025 total \$1,385,499 (2024 - \$1,303,350).

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2025 and 2024

7. Fiscal Plan:

The 2025 Fiscal Plan was approved by the Board through the adoption of the Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 94 on March 20, 2025. The Fiscal Plan includes items not shown on the Statement Of Operations as identified below:

	2025
	Fiscal Plan
Budgeted surplus per bylaw:	\$ -
Fiscal Plan funding sources that are not revenues for accounting purposes:	
Surplus - operating carryover	(219,773)
Transfer from reserves	(849,304)
Fiscal Plan expenditures that are not expenses for accounting purposes:	
Principal debt payments	979,059
Transfer to reserves	323,500
Transfer to appropriated capital surplus	82,000
Budgeted surplus per statement of operations	\$ 315,482

8. Commitments

The Hospital District has committed, through the annual budgeting process, to fund Vancouver Coastal Health for various capital equipment purchases. It does not have any large capital facility projects committed at this time. The equipment items range in scope from minor (less than \$150,000) to major equipment (greater than \$150,000). As at December 31, 2025 the Hospital District has committed \$260,925 for minor equipment and \$260,808 for various major equipment items.

9. Financial Instruments

The Hospital District, as part of its operations, carries a number of financial instruments. It is in management's opinion that the Hospital District is not exposed to significant interest, market, credit or currency risks arising from these financial instruments except as otherwise disclosed.



Staff Report Request for Decision

TO: Sunshine Coast Regional Hospital District Board - April 30, 2026

AUTHOR: Alex Taylor, Manager, Budgeting and Grants

SUBJECT: **Sunshine Coast Regional Hospital District (SCRHD) Draft Audited Financial Statements – Year Ended December 31, 2025**

OVERVIEW

Purpose of Report:

The purpose of this report is to provide the Board with the 2025 Audit Findings, Draft Independent Auditors Report, as well as the 2025 SCRHD Financial statements for approval. This report requests Board decision to accept, reject or provide alternate direction with respect to staff's recommendations as presented below.

Recommendation(s):

- (1) THAT the Sunshine Coast Regional Hospital District (SCRHD) Draft Audited Financial Statements for year ended December 31, 2025 be approved as presented.**
-

BACKGROUND

In accordance with section 22 of the *Hospital District Act*, the SCRHD must prepare financial statements in accordance with Canadian Public Sector Accounting Standards (PSAS) and have these independently audited by a qualified external auditor. PSAS and Auditing Standards require financial statements be approved by those charged with governance. Once approved, this date will become the date of the Independent Auditor's Report (included in the Final Report to Members of the Board) and Final Audited Financial Statements for Year.

DISCUSSION AND ANALYSIS OF OPTIONS

Audit Findings

The Audit Findings report (Attachment A) provides the results of MNP's audit and further discusses areas of focus identified in the Audit Service Planning Report presented to the SCRHD board on October 16, 2025. There were no deviations from the Audit Service Plan.

In the Auditor's opinion, the financial statements present fairly, in all material respects, the financial position of the Sunshine Coast Regional Hospital District as at December 31, 2025, in

accordance with Canadian generally accepted audit standards.

Materiality for the SCRHD was set at \$105,000 for 2025 and there were no significant differences found with respect to the financial statements.

FINANCIAL IMPLICATIONS

N/A

STRATEGIC PLAN IMPLICATIONS

N/A

SUMMARY AND CONCLUSION

Staff recommend that the Draft Audited Statements for Year Ended December 31, 2025, being presented by MNP LLP with Draft Independent Auditor’s Report be received and approved by the SCRHD Board.

ATTACHMENT(S):

- A – Audit Findings to the Board of Directors for year ended December 31, 2025;
- B – Draft Independent Auditor’s Report
- C – Draft Audited Financial Statements

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO		Other	



Sunshine Coast Regional Hospital District

2025 Audit Findings

Report to the Board of Directors

December 31, 2025

Cory Vanderhorst, CPA, CA

T: 250.734.4319

E: 250.753.8251



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Overview

We are pleased to submit to you this Audit Findings Report (the "Report") for discussion of our audit of the financial statements of Sunshine Coast Regional Hospital District (the "Hospital District") as at December 31, 2025 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of the Board of Directors.

As auditors, we report to the Board on the results of our examination of the financial statements of the Hospital District as at and for the year ended December 31, 2025. The purpose of this Report is to assist you, as members of the Board of Directors, in your review of the results of our audit.

This Report is intended solely for the information and use of the Board of Directors and management and should not be distributed to or used by any other parties than these specified parties.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Engagement Status

We have substantially completed our audit of the financial statements of the Hospital District which has been carried out in accordance with Canadian generally accepted auditing standards and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedure:

- The Board of Directors' review and approval of the financial statements

No significant limitations were placed on the scope or timing of our audit.

Independent Auditor's Report








We expect to have the above procedures completed and to release our Independent Auditor's Report on April 30, 2026.




Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the Board of the Hospital District. A draft copy of our proposed Independent Auditor's Report has been provided under separate cover. The matters disclosed in the Independent Auditor's Report are discussed further in the relevant sections of the Report.

Audit Reporting Matters

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the financial statements considered separately.

Significant Audit, Accounting and Reporting Matters

Area		Comments
	Changes from Audit Service Plan	There were no deviations from the Audit Service Plan previously presented to you.
	Final Materiality	Final materiality used for our audit was \$105,000 for December 31, 2025.
	Identified or Suspected Fraud	While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.
	Identified or Suspected Non-Compliance with Laws and Regulations	Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the financial statements.
	Matters Arising in Connection with Related Parties	No significant matters arose during the course of our audit in connection with related parties of the Hospital District.
	Going Concern	No events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern.
	Auditor's Views of Significant Accounting Practices, Accounting Policies and Accounting Estimates	<p>The application of Canadian public sector accounting standards allows and requires the Hospital District to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.</p> <p>As auditors, we are uniquely positioned to provide open and objective feedback regarding your Hospital District's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.</p> <p>The accounting policies used by the Hospital District are appropriate and have been consistently applied.</p>

Area		Comments
	Financial Statement Disclosures	The disclosures made in the notes to the financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the financial statements.
	Significant Deficiencies in Internal Control	While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention.
	Matters Arising From Discussions with Management	There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.

Significant Risk Areas and Responses

Significant Risk Area	Response and Conclusion
Management override of internal controls	<p>To respond to the overall risk of material misstatement due to fraud regarding management's override of controls, we perform the following procedures:</p> <ol style="list-style-type: none"> 1. Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements 2. Review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud, if applicable 3. Evaluate the rationale behind significant transactions that are not in the normal course of business and whether they have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets

Other Areas

Area	Comments
Auditor Independence	We confirm to the Board of Directors that we are independent of the Hospital District. Our letter to the Board of Directors discussing our independence is attached to this report.
Management Representations	We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit. This letter, provided by management, has been included as additional material to this report.
Summary of Significant Differences	No significant differences were proposed to management with respect to the December 31, 2025 financial statements.
Accumulated Surplus	There is a deficit balance in the Current fund of \$32,39. Current fund includes a \$47,960 unfunded liability for interest on long-term debt contributing to the negative position. This deficit can be replenished by way of 2026 surplus, a reduction in 2026 budgeted transfers and/or a transfer out of reserves into the Current fund.

We appreciate having the opportunity to meet with you and respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,



MNP LLP

Chartered Professional Accountants

Independence Communication

April 30, 2026

Board of Directors
Sunshine Coast Regional Hospital District
1975 Field Road
Sechelt, BC V7Z 0A8

Dear Sirs/Mesdames:

We have been engaged to audit the financial statements of Sunshine Coast Regional Hospital District (the "Hospital District") as at December 31, 2025 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the Hospital District and its related entities or persons in financial reporting oversight roles at the Hospital District and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) 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 or a related entity;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client or a related entity;
- (d) Economic dependence on a client; and
- (e) Provision of non-assurance services in addition to the audit engagement.

We are not aware of any relationship between the Hospital District and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from January 1, 2025 to date of this letter.

We hereby confirm that MNP is independent with respect to the Hospital 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 report is intended solely for the use of Board of Directors, management and others within the Hospital District and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Sincerely,



MNP LLP

Chartered Professional Accountants

MADE ^{IN} CANADA

And proud of it!

At MNP we're proud to be the national accounting, consulting and tax firm that is 100% Made in Canada.

Our history defines who we are and our approach to business. Being a Canadian firm has helped shape our values, our collaborative approach, and the way we work with our clients, engaging them every step of the way.

We have a unique perspective. Our decisions are made here – decisions that drive Canadian business and help us all achieve success — and we know the impact that our choices have on the cities and towns we call home.

Throughout our six decades of work, we've seen our communities are more than just a place we do business in. They're a place where our families live, play, and thrive, and we work to make them the best places they can be.

Being 100% Canadian is something we wear proudly. This country provides us with great opportunities, and we're here to help our clients seize the opportunities so we can create a brighter future for the generations to come.



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Independent Auditor's Report

To the Board of Directors of the Sunshine Coast Regional Hospital District:

Opinion

We have audited the financial statements of the Sunshine Coast Regional Hospital District (the "Hospital District"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, 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, 2025, and the results of its operations, net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, 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.

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.

Nanaimo, British Columbia

April 30, 2026

Chartered Professional Accountants

Financial Statements of
**SUNSHINE COAST REGIONAL
HOSPITAL DISTRICT**

For Year Ended December 31, 2025

Sunshine Coast Regional Hospital District

Statement Of Financial Position
As at December 31, 2025 and 2024

	2025	2024
Financial Assets		
Cash and cash equivalents	\$ 696,262	\$ 987,074
Portfolio investments (Note 4)	2,522,124	2,579,159
Accounts receivable	43,049	42,926
Restricted cash: MFA debt reserve fund (Note 5)	251,065	243,766
	3,512,500	3,852,925
Liabilities		
Accounts payable	47,960	126,941
Long-term debt (Note 5)	2,062,119	3,041,178
	2,110,079	3,168,119
Net Financial Assets and Accumulated Surplus (Note 6)	\$ 1,402,421	\$ 684,806
Commitments (Note 8)		

DRAFT

Tina Perreault
Chief Financial Officer

Silas White
Chair

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional Hospital District

Statement Of Operations

For the Years Ended December 31, 2025 and 2024

	Fiscal Plan 2025 (Note 7)	Actual 2025	Actual 2024
Revenue			
Grants in lieu of taxes	\$ 100	\$ 142	\$ 100
Tax requisitions	1,716,442	1,716,442	1,509,814
Investment income	135,500	164,900	212,197
Other revenue (Note 5(b))	417,223	417,223	384,114
	2,269,265	2,298,707	2,106,225
Expenses			
Administration (Note 3)	33,611	33,611	40,896
Debt charges - interest	583,511	583,511	583,511
Government transfers - capital grants	1,336,561	963,935	1,201,953
Bank charges and interest	100	35	72
	1,953,783	1,581,092	1,826,432
Annual Surplus	315,482	717,615	279,793
Accumulated Surplus, beginning of year	684,806	684,806	405,013
Accumulated Surplus, end of year	\$ 1,000,288	\$ 1,402,421	\$ 684,806

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional Hospital District

Statement of Change in Net Financial Assets For the Years Ended December 31, 2025 and 2024

	Fiscal Plan 2025 (Note 7)	2025	2024
Annual surplus	\$ 315,482	\$ 717,615	\$ 279,793
Net financial assets, beginning	684,806	684,806	405,013
Net Financial Assets, ending	\$ 1,000,288	\$ 1,402,421	\$ 684,806

DRAFT

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional Hospital District

Statement Of Cash Flows

For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating Transactions:		
Annual Surplus	\$ 717,615	\$ 279,793
Items not involving cash included in annual surplus:		
Decrease (Increase) in accounts receivable	(123)	27,547
Increase (Decrease) in accounts payable	(78,981)	78,981
Total Operating Transactions	638,511	386,321
Investing Transactions:		
Decrease in portfolio investments	57,035	351,628
Financing Transactions:		
Repayment of long-term debt	(979,059)	(945,950)
Increase in restricted cash: MFA debt reserve fund	(7,299)	(8,203)
Total Financing Transactions	(986,358)	(954,153)
Net decrease in cash and equivalents	(290,812)	(216,204)
Cash and equivalents, beginning of year	987,074	1,203,278
Cash and equivalents, end of year	\$ 696,262	\$ 987,074

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2025 and 2024

1. Operations:

The Sunshine Coast Regional Hospital District was established by an Order of the Lieutenant Governor in Council on June 20, 1968 and is governed by the Hospital District Act. The Sunshine Coast Regional Hospital District is responsible for financing and funding of capital activities relating to hospital facilities within the boundaries Sunshine Coast Regional Hospital District.

2. Significant Accounting Policies

The preparation of the Financial Statements is the responsibility of the management of the Sunshine Coast Regional Hospital District. The accounting policies used within these statements conform to Canadian Public Sector Accounting Standards ("PSAS"). They have been prepared in accordance with current recommendations issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada

(a) Revenue recognition:

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual tax requisitions are recorded as taxes for Hospital District services in the year they are requisitioned.

Investment income and other revenue are recognized in the period in which they are earned.

(b) Expense recognition:

Operating expenses are recognized on an accrual basis in the period in which they are incurred.

(c) Cash and cash equivalents:

Cash consists of cash on hand, cash in transit, and cash on deposit. Cash equivalents are short-term investments with an original maturity of three months or less, made to obtain a return on a temporary basis and are carried at cost.

(d) Financial Instruments

The Sunshine Coast Regional Hospital District recognizes its financial instruments when the Sunshine Coast Regional Hospital District becomes party to the contractual provisions of the financial instruments. All financial instruments are initially recorded at their fair value.

The Sunshine Coast Regional Hospital District subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The Sunshine Coast Regional Hospital District has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2025 and 2024

2. Significant Accounting Policies (Continued)

(d) Financial Instruments (Continued)

must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

(e) Government Transfers

Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

3. Related Party Transactions:

The Sunshine Coast Regional Hospital District is related to the Sunshine Coast Regional District since the same individuals are members of the Board of Directors of both organizations. As legislated by the Hospital District Act, the officers of the Sunshine Coast Regional Hospital District are the corresponding officers of the Sunshine Coast Regional District. Each of the Hospital District and Regional District are separate legal entities as defined by separate Letters Patent and authorized by separate legislation. In 2025, the Hospital District paid, at cost, to the Sunshine Coast Regional District an amount of \$33,611 (2024 - \$40,896) for general accounting and administration services provided to the Hospital District. These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4. Portfolio Investments:

	2025	2024
Municipal Finance Authority ¹	\$ 685,528	\$ 829,317
Sunshine Coast Credit Union ²	32	31
BlueShore Financial ³	1,836,564	1,458,055
National Bank of Canada	-	291,756
	\$ 2,522,124	\$ 2,579,159

¹ Municipal Finance Authority investments are pooled investment funds by which local governments in B.C. can access high-quality investments while maintaining a high degree of security and liquidity. Interest rates are variable. The average yield in 2025 was 2.80% (2024 - 4.70%).

² Investments with Sunshine Coast Credit Union consist of an equity share, recorded at cost

³ Investments with BlueShore Financial consists of term deposits at interest rates of 3.45% to 5.95% to maturity in 2026, recorded at cost.

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2025 and 2024

5. Long Term Debt:

All long term debt is issued through the Municipal Finance Authority of British Columbia (MFA). The MFA is the borrowing agent for municipalities, regional districts and hospital districts in the province of British Columbia. All debenture debt issued by the MFA is sinking fund debt.

The MFA is required to establish a Debt Reserve Fund into which each borrower who shares in the proceeds of a debt issue is required to pay certain amounts set out in the financing agreements. The Debt Reserve Fund is comprised of cash deposits and non-interest bearing demand notes. Cash deposits and interest earned on these funds (less administrative expenses) becomes an obligation of the MFA to the borrower. If at any time insufficient funds are provided by the borrowers, the MFA will then use these funds to meet payments on it obligations. Should this occur, the borrowers may be called upon to restore the fund. The balance of the Debt Reserve Fund cash deposits at December 31, 2025 is \$251,065 (2024: \$243,766).

(a) Sinking fund debentures issued through the Municipal Finance Authority:

Issue	Interest Rate	2025	2024
102 Issued in 2007, maturing in 2027	3.90 %	\$ 2,062,119	\$ 3,041,178
Future principal repayments on existing long term debt:			
2026		\$ 1,013,326	
2027		1,048,793	
		\$ 2,062,119	

(b) Actuarial earnings:

Long term debt is recorded net of any sinking fund balances. Actuarial sinking fund earnings recognized in 2025 totalled \$417,223 (2024 - \$384,114).

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2025 and 2024

6. Accumulated Surplus:

	2025	2024
Fund Balances:		
Current fund ¹	\$ (32,390)	\$ 171,812
Reserve fund ²	1,860,366	2,007,056
Capital fund ³	(676,620)	(1,737,828)
Debt reserve funds	251,065	243,766
Accumulated Surplus, end of year	\$ 1,402,421	\$ 684,806

¹ Consists of funds requisitioned to fund capital improvement projects and equipment with a value less than \$150,000. Current fund includes a \$47,960 unfunded liability for interest on long-term debt contributing to the negative position.

² Consists of surplus funds requisitioned to fund capital improvement projects and equipment with a value greater than \$150,000.

³ Consists of surplus funds borrowed and/or requisitioned to fund major capital projects, less outstanding long-term debt repayable in future years. Surplus funds available to fund projects as at December 31, 2025 total \$1,385,499 (2024 - \$1,303,350).

Sunshine Coast Regional Hospital District

Notes To The Financial Statements

For the Years Ended December 31, 2025 and 2024

7. Fiscal Plan:

The 2025 Fiscal Plan was approved by the Board through the adoption of the Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 94 on March 20, 2025. The Fiscal Plan includes items not shown on the Statement Of Operations as identified below:

	2025
	Fiscal Plan
Budgeted surplus per bylaw:	\$ -
Fiscal Plan funding sources that are not revenues for accounting purposes:	
Surplus - operating carryover	(219,773)
Transfer from reserves	(849,304)
Fiscal Plan expenditures that are not expenses for accounting purposes:	
Principal debt payments	979,059
Transfer to reserves	323,500
Transfer to appropriated capital surplus	82,000
Budgeted surplus per statement of operations	\$ 315,482

8. Commitments

The Hospital District has committed, through the annual budgeting process, to fund Vancouver Coastal Health for various capital equipment purchases. It does not have any large capital facility projects committed at this time. The equipment items range in scope from minor (less than \$150,000) to major equipment (greater than \$150,000). As at December 31, 2025 the Hospital District has committed \$260,925 for minor equipment and \$260,808 for various major equipment items.

9. Financial Instruments

The Hospital District, as part of its operations, carries a number of financial instruments. It is in management's opinion that the Hospital District is not exposed to significant interest, market, credit or currency risks arising from these financial instruments except as otherwise disclosed.



March 31, 2026

1328596

Via email: swhite@gibsons.ca

Their Worship Silas White
Mayor of the Town of Gibsons, and
Chair, Sunshine Coast Regional Hospital District
1975 Field Rd
Sechelt BC V7Z 0A8

Dear Mayor White:

Thank you for your letter dated January 21, 2026, addressed to Honourable Bowinn Ma, Minister of Infrastructure, and myself, as well as follow-up emails regarding increased capacity and access to long-term care and improved coordination across services in the Sunshine Coast. I greatly appreciate you taking the time to share your observations and concerns and I apologize for the delayed response.

I share your concerns about acute care capacity and the impact that having patients await long-term care in hospital can have on accessibility. The Ministry of Health is committed to providing equitable and timely access to care for all people in BC.

Hearing directly from community members helps ensure that local realities are reflected in how we approach improvements to the healthcare system.

I understand that recently Darlene MacKinnon, Vice President for Vancouver Coastal Health's Coastal Community of Care, spent time in the community working with local healthcare providers to develop a plan for improving hospital and community care along the coast. Health authorities are accountable for the detailed community planning and delivery of healthcare services. Your continued engagement with Vancouver Coastal Health Authority (VCH) provides opportunity for informing and supporting health authority planning. I would encourage you to reach out to Darlene MacKinnon who will be well positioned to engage with you on the concerns you raise (Darlene.mackinnon@vch.ca).

...2

VCH has identified mental health and substance use services as a priority need in Sechelt and has developed some initial planning for the Totem Lodge site. I am pleased to confirm the government's support for the refurbishment of Totem Lodge to Psychiatric Inpatient and Community Mental Health Psychiatric units. We believe these will be positive impacts to the community.

Thank you again for taking the time to advocate on behalf of members of the Sunshine coast. Voices like yours are vital to shaping a responsive and integrated healthcare system.

Sincerely,

A handwritten signature in black ink, appearing to read 'Josie', with a stylized flourish extending to the right.

Josie Osborne
Minister

pc: Honourable Bowinn Ma, Minister of Infrastructure
Darlene MacKinnon, Vice President for Vancouver Coastal Health's Coastal
Community of Care