

Financial Statements of

**CENTRAL COAST REGIONAL
HOSPITAL DISTRICT**

Year ended December 31, 2018

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Table of Contents

	Page
Management Responsibility Statement	
Independent Auditors' Report	
Consolidated Financial Statements	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 8

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of the Central Coast Regional Hospital District (the "Hospital District") are the responsibility of the Hospital District's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Hospital District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Hospital District's Board meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Hospital District. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Hospital District's financial statements.


Samuel Schooner, Chair of Board


Courtney Kirk, Chief Administrative Officer



KPMG LLP
177 Victoria Street, Suite 400
Prince George BC V2L 5R8
Canada
Tel 250-563-7151
Fax 250-563-5693

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Central Coast Regional Hospital District

Opinion

We have audited the financial statements of Central Coast Regional Hospital District (the "Hospital District"), which comprise:

- the statement of financial position as at December 31, 2018
- the statements of operations and accumulated surplus for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital District as at December 31, 2018 and its results of operations, change in 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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 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.

Other Matter - Comparative Information

The financial statements for the year ended December 31, 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 26, 2018.



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.

Auditors' 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 auditors' 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 the 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.



Page 3

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Hospital District's 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
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that serves as a flourish or underline.

Chartered Professional Accountants

Prince George, Canada

May 9, 2019

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Statement of Financial Position

December 31, 2018, with comparative information for 2017

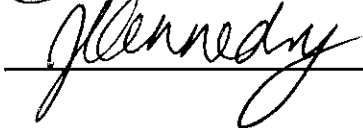
	2018	2017
Financial assets:		
Cash	\$ 47,549	\$ 44,874
Accounts receivable (note 2)	53,405	8,570
Short-term investments (note 3)	105,191	103,484
	<u>206,145</u>	<u>156,928</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 4)	88,280	34,930
	<u>88,280</u>	<u>34,930</u>
Accumulated surplus	\$ 117,865	\$ 121,998

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Statement of Operations and Accumulated Surplus

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual
Revenue:			
Administrative Fees	\$ 4,000	\$ 4,462	\$ 4,379
Community transit partnership agreement (note 5)	210,427	210,052	211,998
Federal government grant-in-lieu of tax	620	897	621
Interest income	1,000	1,751	1,042
Tax requisition	22,500	22,500	22,500
	238,547	239,662	240,540
Expenditures:			
Administration (note 6)	13,500	13,500	13,500
Community transit partnership agreement (note 5)	210,427	210,052	211,998
Equipment grant	20,000	20,000	20,000
Interest and bank charges	-	243	198
	243,927	243,795	245,696
Annual deficit	(5,380)	(4,133)	(5,156)
Accumulated surplus, beginning of year	121,998	121,998	127,154
Accumulated surplus, end of year	\$ 116,618	\$ 117,865	\$ 121,998

See accompanying notes to financial statements.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Statement of Changes In Net Assets

Year ended December 31, 2018, with comparative information for 2017

	Budget	2018	2017
Annual deficit	\$ (5,380)	\$ (4,133)	\$ (5,156)
Net financial assets, beginning of year	121,998	121,998	127,154
Net financial assets, end of year	\$ 116,618	\$ 117,865	\$ 121,998

See accompanying notes to financial statements.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (4,133)	\$ (5,156)
Changes in non-cash operating working capital:		
Accounts receivable	(44,835)	(3,866)
Short-term investments	(1,707)	(998)
Accounts payable and accrued liabilities	53,350	938
Increase (decrease) in cash	2,675	(9,082)
Cash, beginning of year	44,874	53,956
Cash, end of year	\$ 47,549	\$ 44,874

See accompanying notes to financial statements.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements

Year ended December 31, 2018

Nature of operations:

Central Coast Regional Hospital District (the "Hospital District") operates under the provisions of the Hospital District Act.

The Hospital District provides grants to district hospitals and administers the Community Transit Partnership Agreement pursuant to the Annual Operating Agreement among the Central Coast Regional Hospital District and the Bella Coola General Hospital and pursuant to the Bella Coola Master Operating Agreement among the Central Coast Regional Hospital District, British Columbia Transit and the Bella Coola Valley Bus Company Ltd..

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian public sector accounting standards. The Hospital District's significant accounting policies are as follows:

(a) Basis of presentation:

The financial statements of the Hospital District are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(b) 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, short-term investments and accounts receivable.

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

Financial instruments consist of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Hospital District is not exposed to significant interest, currency or credit risk arising from its financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(c) Accrual accounting:

The accrual method for reporting revenues and expenditures, including capital expenditures, has been used. Revenues are recorded in the period they are earned. Expenditures are recorded as the cost of goods or services in the period they are obtained.

(d) 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.

(e) Revenue recognition:

The Central Coast Regional Hospital District follows the deferral method of accounting for contributions.

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. Endowment contributions are recognized as direct increases in net assets.

(f) Budget reporting:

The original budget bylaw stated in the Statement of Operations and Accumulated Surplus represent the Annual Budget Bylaw adopted by the Board of Directors on February 8, 2018.

(g) Contributed services:

Volunteer hours are contributed during the year to assist the Hospital District in carrying out its operations. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(h) 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. Area requiring use of management's estimates related to the collectibility of accounts receivable. Actual results could differ from these estimates.

2. Accounts receivable:

	2018	2017
Bella Coola General Hospital	\$ 53,405	\$ 8,570

3. Short-term investments:

	2018	2017
MFA Money Market Fund	\$ 105,191	\$ 103,484

4. Accounts payable and accrued liabilities:

	2018	2017
BC Transit	\$ 88,280	\$ 34,930

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements (continued)

Year ended December 31, 2018

5. Community Transit Partnership Agreement:

Community Transit funding is provided by the Bella Coola General Hospital pursuant to the Annual Operating Agreement among the Central Coast Regional Hospital District and the Bella Coola General Hospital and pursuant to the Bella Coola Master Operating Agreement among the Central Coast Regional Hospital District, British Columbia Transit and the Bella Coola Valley bus Company Ltd.

	2018	2017
Community Transit Partnership Agreement Funds		
Opening balance of unspent funds	\$ 34	\$ 34
Transit revenue	210,052	211,998
Less: amount spent	(210,052)	(211,998)
Closing balance of unspent funds	\$ 34	\$ 34

6. Related party transactions:

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

During the year, the Hospital District received accounting and management services from the Central Coast Regional District and paid \$13,500 (2017 - \$13,500) 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.