

**CENTRAL COAST REGIONAL HOSPITAL DISTRICT**

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**FOR THE YEAR ENDED DECEMBER 31, 2012**

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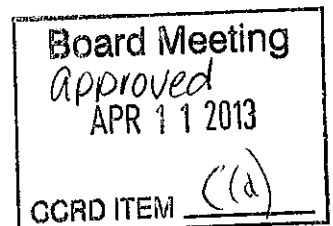
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**CENTRAL COAST REGIONAL**  
**HOSPITAL DISTRICT**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

## **INDEPENDENT AUDITORS' REPORT**

To The Board of Directors of the  
Central Coast Regional Hospital District

### Report on the Financial Statements

We have audited the accompanying financial statements of the Central Coast Regional Hospital District, which comprise the statement of financial position as at December 31, 2012, the statements of financial activity and cash flows for the General Operating Fund for the year then ended, and the statement of financial position as at December 31, 2012, the statements of equity in capital assets and cash flows for the Capital Fund for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for local governments, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Central Coast Regional Hospital District as at December 31, 2012, and the results of its operations and cash flows for the year then ended in accordance with the basis of accounting described in Note 2 to the financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Board of Directors of the Central Coast Regional Hospital District and the Ministry of Health of the Province of British Columbia to comply with the Hospital District Act. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.


Williams Lake, BC  
DRAFT

PMT CHARTERED ACCOUNTANTS /  
BUSINESS ADVISORS LLP

**General Operating Fund  
Statement of Financial Position - December 31, 2012**

**Statement A**

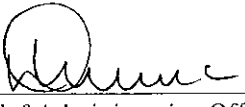
	2012	2011
<b>ASSETS</b>		
Current		
Cash - Note 4	\$ 183,520	\$ 176,458
Accounts receivable	<u>13,213</u>	<u>6,635</u>
	<b><u>\$ 196,733</u></b>	<b><u>\$ 183,093</u></b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities - Note 5	\$ 40,079	\$ 19,510
Commitments and contingencies - Note 6		
<b>SURPLUS</b>		
Surplus - Statement B	<u>156,654</u>	<u>163,583</u>
	<b><u>\$ 196,733</u></b>	<b><u>\$ 183,093</u></b>

  
A | Chief Administrative Officer

*General Operating Fund  
Statement of Financial Activity  
For The Year Ended December 31, 2012*

Statement B

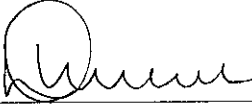
	Budget 2012	2012	2011
<b>Revenue</b>			
Community transit partnership agreement - Note 6	\$ 202,000	\$ 235,056	\$ 210,654
Tax requisition	20,000	20,000	20,000
Administrative fees	6,650	3,619	5,915
Interest earned	1,500	1,561	1,616
Federal government grant-in-lieu of tax	<u>1,070</u>	<u>989</u>	<u>1,071</u>
	<u>231,220</u>	<u>261,225</u>	<u>239,256</u>
<b>Expenditures</b>			
Administrative expenses	13,000	13,000	13,000
Bank charges	-	98	42
Community transit partnership agreement - Note 6	202,000	235,056	210,654
Professional fees	-	-	360
Transfer to Section 20(2) capital reserve for equipment grants - Statement F	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
	<u>235,000</u>	<u>268,154</u>	<u>244,056</u>
Excess (deficiency) of revenue over expenditures	( 3,780)	( 6,929)	( 4,800)
Use of prior years surplus	165,614	-	-
Reserve for future period	<u>( 161,834)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	-	( 6,929)	( 4,800)
Surplus, beginning of year	<u>163,583</u>	<u>163,583</u>	<u>168,383</u>
Surplus, end of year - Statement A	<u>\$ 163,583</u>	<u>\$ 156,654</u>	<u>\$ 163,583</u>

  
A/ Chief Administrative Officer

**Statement of Cash Flows of General Operating Funds  
For The Year Ended December 31, 2012**

**Statement C**

	<b>2012</b>	<b>2011</b>
Operating activities		
Cash received from operations	\$ 253,086	\$ 234,512
Cash received for interest	1,561	1,616
Cash paid for other expenses	( 13,098)	( 13,402)
Cash paid for the transit partnership agreement	( 214,487)	( 227,017)
Cash paid to the Capital Fund	( 20,000)	( 20,000)
Cash from operations	7,062	( 24,291)
Cash and cash equivalents, beginning of year	<u>176,458</u>	<u>200,749</u>
Cash and cash equivalents, end of year	<u><b>\$ 183,520</b></u>	<u><b>\$ 176,458</b></u>
Cash and cash equivalents consist of:		
Cash	\$ 55,982	\$ 50,281
Term deposits	<u>127,538</u>	<u>126,177</u>
	<u><b>\$ 183,520</b></u>	<u><b>\$ 176,458</b></u>

  
A / Chief Administrative Officer

**Capital Fund  
Statement of Financial Position - December 31, 2012**

**Statement D**

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
Grants to district hospitals capitalized		
From debenture debt	\$ 2,153,500	\$ 2,153,500
From current revenue	1,268,872	1,248,872
From federal government	449,405	449,405
From provincial government	<u>137,204</u>	<u>137,204</u>
Total grants to district hospitals capitalized - Schedule 1	<u>\$ 4,008,981</u>	<u>\$ 3,988,981</u>
<b>LIABILITIES</b>		
Capital equity - Statement E	<u>\$ 4,008,981</u>	<u>\$ 3,988,981</u>



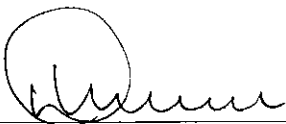
A / Chief Administrative Officer



**Capital Fund  
Statement of Equity in Capital Assets  
For The Year Ended December 31, 2012**

**Statement E**

	<b>2012</b>	<b>2011</b>
Balance, beginning of year	\$ 3,988,981	\$ 3,968,981
Capital expenditures (net) - Schedule 2	<u>20,000</u>	<u>20,000</u>
Balance, end of year - Statement D	<u>\$ 4,008,981</u>	<u>\$ 3,988,981</u>

  
A | Chief Administrative Officer

Statement of Cash Flows of Capital Funds  
For The Year Ended December 31, 2012

Statement F

	2012	2011
Source of funds		
Contribution from General Operating Fund Reserve for Section 20(2) expenditures	\$ 20,000	\$ 20,000
Application of funds		
Equipment grants to district hospitals - Statement B	( 20,000)	( 20,000)
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -



A | Chief Administrative Officer

*Note to the Financial Statements  
For The Year Ended December 31, 2012*

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**1. Purpose**

The 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.

**2. Significant accounting policies****a) Basis of presentation**

The financial statements of the Hospital District are prepared by management in accordance with the accounting standards prescribed by the Hospital District Act of the Government of British Columbia.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Board of Directors of the Central Coast Regional Hospital District and the Ministry of Health of the Province of British Columbia in complying with the Hospital District Act. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

**b) Funds of the Central Coast Regional Hospital District**

The resources and operations of the Hospital District are separated into the General Operating and Capital Funds for accounting and financial reporting purposes. Transfers between funds are recorded as adjustments to the appropriate fund balance.

**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) Foreign currency**

Monetary items denominated in US dollars are converted to Canadian dollars for financial statement purposes at approximate exchange rates in effect at the reporting date. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenditures are translated at rates in effect at the time of transactions. Gains and losses on foreign currency translations are included as revenues (expenditures).

**e) 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.

**f) Term deposits**

Term deposits are valued at cost plus accrued interest.

***Note to the Financial Statements  
For The Year Ended December 31, 2012***

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**2. Significant accounting policies (continued)**

- g) 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.
- h) Grants to Health Region  
Grants to the Health Region are capitalized in accordance with the Ministry of Health policy.
- i) 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.
- j) Budget reporting  
Unaudited budget figures shown represent the Annual Budget Bylaw adopted by the Board of Directors on March 22, 2012.
- k) Use of estimates  
The preparation of financial statements in accordance with the accounting principles defined in Note 2(a) to these statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure on contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Significant areas requiring use of management estimates relate to valuation of inventory and the collectibility of accounts receivable. Actual results could differ from those estimates.

**3. Financial instruments**

- a) Fair value  
The district's carrying value of cash, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.
- b) Interest rate risk  
Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the district manages exposure through its normal operating and financing activities. The Hospital District is exposed to interest rate risk primarily through its variable interest money market funds.
- c) Credit risk  
It is management's opinion that the Hospital District is not subject to significant credit risk associated with its financial instruments.

**4. Cash**

Cash consists of:

	<u>2012</u>	<u>2011</u>
Operating cash	\$ 54,982	\$ 49,281
Money market funds with the Municipal Finance Authority	127,538	126,177
Equity shares in Williams Lake and District Credit Union	<u>1,000</u>	<u>1,000</u>
	<u>\$ 183,520</u>	<u>\$ 176,458</u>

*Note to the Financial Statements  
For The Year Ended December 31, 2012*

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**5. Accounts payable and accrued liabilities**

	<u>2012</u>	<u>2011</u>
BC Transit	\$ 20,080	\$ 19,511
Section 20 (2) contribution to equipment reserve	<u>20,000</u>	<u>-</u>
	<u>\$ 40,080</u>	<u>\$ 19,511</u>

**6. 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.

	<u>2012</u>	<u>2011</u>
Community Transit Partnership Agreement Funds		
Opening balance of unspent funds	\$( 34)	\$( 34)
Add: Amount received during the year	235,056	210,654
Less: Amount spent	<u>( 235,056)</u>	<u>( 210,654)</u>
Closing balance of unspent funds	<u>\$( 34)</u>	<u>\$( 34)</u>

**7. Commitments and 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 a material effect on the 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 transaction**

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 \$13,000 (2011 - \$13,000) 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.

**Capital Fund  
Schedule of Capitalized Grants  
For The Year Ended December 31, 2012**

**Schedule 1**

	Expenditures to December 31, 2011	2012 Expenditures	Net amount December 31, 2012
Grants to district hospitals capitalized			
Bella Coola General Hospital			
Construction	\$ 1,914,730	\$ -	\$ 1,914,730
Major equipment	212,234	-	212,234
Minor equipment and supplies	573,632	20,000	593,632
Working capital	<u>27,000</u>	<u>-</u>	<u>27,000</u>
	<u>2,727,596</u>	<u>20,000</u>	<u>2,747,596</u>
R.W. Large Memorial Hospital	1,211,270	-	1,211,270
Ocean Falls General Hospital	<u>50,115</u>	<u>-</u>	<u>50,115</u>
	<u>1,261,385</u>	<u>-</u>	<u>1,261,385</u>
Total grants to hospitals capitalized - Statement D	<u>\$ 3,988,981</u>	<u>\$ 20,000</u>	<u>\$ 4,008,981</u>

*Capital Fund**Schedule of Details of Equity in Capital Assets  
For The Year Ended December 31, 2012**Schedule 2*

	General Equity in Capitalized Grants	Provincial Government Contributions	Federal Government Contributions	Total
Balance, beginning of year	\$ 2,812,979	\$ 758,576	\$ 417,426	\$ 3,988,981
Contribution from Section 20 (2) reserve for equipment grants	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Balance, end of year - Statement E	<u>\$ 2,832,979</u>	<u>\$ 758,576</u>	<u>\$ 417,426</u>	<u>\$ 4,008,981</u>

The accompanying notes are an integral part of this Schedule.