

CENTRAL COAST REGIONAL HOSPITAL DISTRICT
Financial Statements
Year Ended December 31, 2017

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

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Year Ended December 31, 2017

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

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



Chairman of the Board of Directors

Chief Administrative Officer



INDEPENDENT AUDITOR'S REPORT

To the Directors of the Central Coast Regional Hospital District

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, 2017 and the statements of operations and accumulated surplus, changes in net assets and cash flows for the year then ended, and 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 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.

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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.

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Independent Auditor's Report to the Directors of the Central Coast Regional Hospital District *(continued)*

Opinion


In our opinion, the financial statements present fairly, in all material respects, the financial position of the Central Coast Regional Hospital District as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Williams Lake, BC
April 26, 2018


PMT CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

CENTRAL COAST REGIONAL HOSPITAL DISTRICT
Statement of Financial Position
December 31, 2017

	<u>2017</u>	<u>2016</u>
Financial assets		
Cash and cash equivalents	\$ 148,358	\$ 156,442
Accounts receivable (Note 4)	<u>8,570</u>	<u>4,704</u>
	<u>156,928</u>	<u>161,146</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	<u>34,930</u>	<u>33,992</u>
Contingent liability (Note 6)		
Accumulated surplus	<u>\$ 121,998</u>	<u>\$ 127,154</u>



Chief Administrative Officer

The accompanying notes are an integral part of this statement.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT
Statement of Operations and Accumulated Surplus
Year Ended December 31, 2017

	Budget 2017	2017	2016
Revenue			
Community transit partnership agreement (Note 7)	\$ 212,395	\$ 211,998	\$ 205,595
Tax requisition	22,500	22,500	20,000
Administrative fees	4,000	4,379	4,272
Interest earned	50	1,042	1,072
Federal government grant-in-lieu of tax	775	621	777
	<u>239,720</u>	<u>240,540</u>	<u>231,716</u>
Expenditures			
Administrative expenses	13,500	13,500	13,325
Bank charges and interest	-	198	164
Community transit partnership agreement (Note 7)	212,395	211,998	205,595
Equipment grant	20,000	20,000	19,603
	<u>245,895</u>	<u>245,696</u>	<u>238,687</u>
Excess (deficiency) of revenue over expenditures	(6,175)	(5,156)	(6,971)
Other income			
Transfer to prior years surplus	\$ 6,175	\$ -	\$ -
Annual deficit	-	(5,156)	(6,971)
Accumulated surplus - beginning of year	<u>127,154</u>	<u>127,154</u>	<u>134,125</u>
Accumulated surplus - end of year	<u>\$ 127,154</u>	<u>\$ 121,998</u>	<u>\$ 127,154</u>

The accompanying notes are an integral part of this statement.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Statement of Changes in Net Assets

Year Ended December 31, 2017

	Budget 2017	2017	2016
Annual deficit	\$ -	\$ (5,156)	\$ (6,971)
Increase (decrease) in net financial assets	-	(5,156)	(6,971)
Net assets - beginning of year	127,154	127,154	134,125
Net assets - end of year	\$ 127,154	\$ 121,998	\$ 127,154

The accompanying notes are an integral part of this statement.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Statement of Cash Flows

Year Ended December 31, 2017

	2017	2016
Operating activities		
Cash receipts	\$ 236,674	\$ 248,203
Cash payments for suppliers	(244,560)	(258,263)
Interest paid	(198)	(164)
	<hr/>	<hr/>
Decrease in cash flow	(8,084)	(10,224)
	<hr/>	<hr/>
Cash and cash equivalents - beginning of year	156,442	166,666
	<hr/>	<hr/>
Cash and cash equivalents - end of year	148,358	156,442
	<hr/>	<hr/>
Cash and cash equivalents consist of:		
Money market fund with the Municipal Finance Authority	\$ 103,484	\$ 102,486
Cash	43,874	52,956
Bank equity shares	1,000	1,000
	<hr/>	<hr/>
	\$ 148,358	\$ 156,442
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The accompanying notes are an integral part of this statement.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements

Year Ended December 31, 2017

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

Basis of presentation

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

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.

Financial instruments policy

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

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

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

Cash and cash equivalents

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

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.

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CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements

Year Ended December 31, 2017

2. Significant accounting policies (continued)

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.

Budget reporting

Unaudited budget figures shown represent the Annual Budget Bylaw adopted by the Board of Directors on March 9 2017.

Measurement uncertainty

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

3. Financial instruments

The Hospital District is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Hospital District's risk exposure and concentration as of December 31, 2017.

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 Hospital District manages exposure through its normal operating and financing activities. The Hospital District is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

There is no change in the risk exposure from the previous period.

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

4. Accounts receivable

	<u>2017</u>	<u>2016</u>
Bella Coola General Hospital	\$ 8,570	\$ 4,704

The receivable relates to October, November and December 2017 transit service (2016 - November and December 2016 transit service).

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements

Year Ended December 31, 2017

5. Accounts payable and accrued liabilities

	<u>2017</u>	<u>2016</u>
BC Transit	<u>\$ 34,930</u>	<u>\$ 33,992</u>

6. Contingent liability

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.

7. 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>2017</u>	<u>2016</u>
Community Transit Partnership Agreement Funds		
Opening balance of unspent funds	\$ (34)	\$ (34)
Transit revenue	211,998	205,595
Less: Amount spent	<u>(211,998)</u>	<u>(205,595)</u>
Closing balance of unspent funds	<u>\$ (34)</u>	<u>\$ (34)</u>

8. 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 (2016 - \$13,325) 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.