

Financial Statements of

**CENTRAL COAST REGIONAL
HOSPITAL DISTRICT**

And Independent Auditors' Report thereon

Year ended December 31, 2020

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

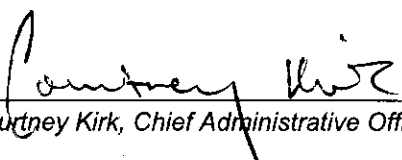
The accompanying financial statements of the Central Coast Regional Hospital District (the "Hospital District") are the responsibility of the Hospital District's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established 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.



Lawrence Northeast, Chair of Board

Courtney Kirk, Chief Administrative Officer



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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, 2020
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial 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, 2020 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.

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.
- 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



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- 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.

KPMG LLP

Chartered Professional Accountants

Prince George, Canada

April 15, 2021

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Statement of Financial Position


December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets:		
Cash and cash equivalents (note 2)	\$ 159,180	\$ 123,823
Accounts receivable (note 3)	791	7,108
	159,971	130,931
Financial liabilities:		
Accounts payable and accrued liabilities (note 4)	28,277	16,833
Deferred revenue (note 5)	21,983	-
	50,260	16,833
Net financial assets	109,711	114,098
Accumulated surplus	\$ 109,711	\$ 114,098

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, 2020, with comparative information for 2019

	2020 Budget	2020 Actual	2019 Actual
Revenue:			
Administrative fees	\$ 5,000	\$ 4,698	\$ 4,595
Community transit partnership agreement (note 5)	210,000	163,788	206,365
Federal government grant-in-lieu of tax	900	1,191	847
Interest income	2,000	956	2,007
Tax requisition	22,500	22,500	22,500
	240,400	193,133	236,314
Expenditures:			
Administration (Schedule 1)	243,730	197,521	240,080
Annual deficit	(3,330)	(4,388)	(3,766)
Accumulated surplus, beginning of year	114,099	114,099	117,865
Accumulated surplus, end of year	\$ 110,769	\$ 109,711	\$ 114,099

See accompanying notes to financial statements.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Statement of Changes In Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

	Budget	2020	2019
Annual deficit	\$ (3,330)	\$ (4,388)	\$ (3,766)
Net financial assets, beginning of year	114,099	114,099	117,865
Net financial assets, end of year	\$ 110,769	\$ 109,711	\$ 114,099

See accompanying notes to financial statements.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (4,388)	\$ (3,766)
Changes in non-cash operating working capital:		
Accounts receivable	6,317	46,297
Accounts payable and accrued liabilities	11,445	(71,448)
Deferred revenue	21,983	-
Increase (decrease) in cash and cash equivalents	35,357	(28,917)
Cash and cash equivalents, beginning of year	123,823	152,740
Cash and cash equivalents, end of year	\$ 159,180	\$ 123,823

See accompanying notes to financial statements.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements

Year ended December 31, 2020

Nature of operations:

Central Coast Regional Hospital District (the "Entity") 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.

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Hospital District is not known at this time.

At the time of approval of these financial statements, the Hospital District has experienced the following indicators of financial implications in the fiscal year and undertaken the following activities in relation to the COVID-19 pandemic.

- Experienced temporary declines in the fair value of investments and investment income

Due to the pandemic, the current environment presents uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian public sector accounting standards. The Entity'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.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(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.

(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.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(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.

Taxation revenue in the form of local government requisitions are recognized when received from the Province of British Columbia and member municipalities. Interest income is recorded when earned. Payments in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the accounts receivable.

(f) Budget reporting:

The original budget bylaw stated in the Statement of Operations and Accumulated Surplus represents the Annual Budget Bylaw adopted by the Board of Directors on February 14, 2020.

(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.

(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.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements (continued)

Year ended December 31, 2020

2. Cash and cash equivalents:

	2020	2019
Equity shares at the Williams Lake and District Credit Union	\$ 1,000	\$ 1,039
Operating cash	40,813	6,331
Savings cash	9,311	9,304
Short-term investments	108,056	107,149
	\$ 159,180	\$ 123,823

Short-term investments are held in Municipal Finance Authority pooled money market fund with an annual rate of return of approximately 0.85% (2019 - 1.86%).

3. Accounts receivable:

	2020	2019
Bella Coola General Hospital	\$ 791	\$ 7,108

4. Accounts payable and accrued liabilities:

	2020	2019
BC Transit	\$ 28,277	\$ 16,833

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements (continued)

Year ended December 31, 2020

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.

	2020	2019
Community Transit Partnership Agreement Funds		
Opening balance of unspent funds	\$ 34	\$ 34
Transit revenue	163,788	206,365
Less: amount spent	(163,788)	(206,365)
Closing balance of unspent funds	\$ 34	\$ 34

During the year, the Hospital District did not spend all funds received through the Community Transit Partnership Agreement due to COVID-19 impacts on travel expenditures. An amount of \$21,983 has been approved to be deferred to fiscal 2021.

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 (2019 - \$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.

7. Comparative amounts:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year's earnings.

CENTRAL COAST REGIONAL HOSPITAL DISTRICT

Schedule 1 - Expenditures

Year ended December 31, 2020, with comparative information for 2019

	2020 Budget	2020 Actual	2019 Actual
Administration	\$ 13,500	\$ 13,500	\$ 13,500
Community transit partnership agreement (note 5)	210,000	163,788	206,365
Equipment grant	20,000	20,000	20,000
Interest and bank charges	230	233	215
	<u>\$ 243,730</u>	<u>\$ 197,521</u>	<u>\$ 240,080</u>