



**TO:** North West Regional Hospital District Board

**FROM:** Marc Schibli, Treasurer

**DATE:** May 13, 2020

**RE:** 2019 Audited Financial Statements

**ATTACHMENT:**

2019 North West Regional Hospital District Audited Financial Statements from Carlyle Shepherd & Co., CPA's

**RECOMMENDATION:**

To receive and adopt the 2019 Audited Financial Statements as presented.

**BACKGROUND:**

Audit staff from Carlyle Shepherd & Co. CPA's were on-site at the Regional District offices from March 2<sup>nd</sup> to March 4<sup>th</sup> to conduct both the Regional District of Kitimat-Stikine and North West Regional Hospital District audits. Ernie Dusdal and Carlyle Shepherd & Co. have provided the Hospital District statements with an unqualified opinion, the highest level of assurance an audit can provide.

The entire finance staff thank Mr. Dusdal and Carlyle Shepherd & Co. for their hard work and ensuring a smooth audit process.



**NORTH WEST REGIONAL HOSPITAL DISTRICT**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

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**DECEMBER 31, 2019**

INDEPENDENT AUDITORS REPORT

STATEMENT

- A STATEMENT OF FINANCIAL POSITION
- B STATEMENT OF FINANCIAL ACTIVITIES

NOTES

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors  
North West Regional Hospital District**

**Opinion**

We have audited the financial statements of the North West Regional Hospital District, which comprise the statement of financial position as at December 31, 2019 and the statement of financial activities 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 Regional Hospital District as at December 31, 2019 and the results of its operations 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. We are independent of the Regional 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.

**Auditor's Responsibility 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 judgement and maintain professional skepticism throughout the audit.

**Responsibilities of Management and Directors 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 controls as management determines are necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Regional 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 conditions exist that do not allow for the going concern basis to be used.

The Board of Directors is responsible for overseeing the Regional Hospital District's financial reporting process.

Terrace, BC  
May 6, 2020



**NORTH WEST REGIONAL HOSPITAL DISTRICT**

**STATEMENT OF FINANCIAL POSITION**

**STATEMENT A**

**DECEMBER 31**

**FINANCIAL ASSETS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>CASH</b>	21,625,282	20,345,918
<b>ACCOUNTS RECEIVABLE</b>	409,715	406,112
<b>MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND</b>	<u>613,700</u>	<u>599,733</u>
	<u>22,648,697</u>	<u>21,351,763</u>

**FINANCIAL LIABILITIES**

<b>ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</b>	422,856	1,454,020
<b>MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND</b>	613,700	599,733
<b>LONG TERM DEBT (Note 2)</b>	<u>29,367,945</u>	<u>32,085,615</u>
	30,404,501	34,139,368
<b>NET FINANCIAL ASSETS/LIABILITIES</b>	(7,755,804)	(12,787,605)
<b>FUTURE REVENUE REQUIREMENT FROM TAXPAYERS</b>	<u>29,367,945</u>	<u>32,085,615</u>
<b>REGIONAL HOSPITAL DISTRICT POSITION</b>	<u>21,612,141</u>	<u>19,298,010</u>

APPROVED BY THE BOARD

\_\_\_\_\_ Chair

\_\_\_\_\_ Treasurer

**NORTH WEST REGIONAL HOSPITAL DISTRICT**

**STATEMENT OF FINANCIAL ACTIVITIES**

**STATEMENT B**

**DECEMBER 31**

	<b>Unaudited 2019 Budget \$</b>	<b>Audited 2019 Actual \$</b>	<b>Audited 2018 Actual \$</b>
<b>REVENUE</b>			
Tax Requisition	9,754,513	9,754,550	9,258,975
Grants in Lieu/Other Revenue		185,426	180,987
Interest	390,000	499,328	370,474
	<u>10,144,513</u>	<u>10,439,304</u>	<u>9,810,436</u>
<b>EXPENDITURE</b>			
Grants to Health Facilities and Planning Studies	7,568,663	5,048,953	4,559,158
Debenture Debt			
Interest	1,364,772	1,371,543	1,371,543
Principal	1,545,173	1,545,173	1,545,173
Interest on Temporary Borrowing	20,000	11,237	12,330
Contingency	146,161	-	-
Administration	177,000	148,267	144,975
	<u>10,821,769</u>	<u>8,125,173</u>	<u>7,633,179</u>
<b>NET CHANGE IN FINANCIAL ACTIVITIES</b>	-677,256	2,314,131	2,177,257
<b>OPENING POSITION</b>	<u>19,298,010</u>	<u>19,298,010</u>	<u>17,120,753</u>
<b>CLOSING POSITION</b>	<u><u>18,620,754</u></u>	<u><u>21,612,141</u></u>	<u><u>19,298,010</u></u>

# **NORTH WEST REGIONAL HOSPITAL DISTRICT**

## **NOTES**

**DECEMBER 31, 2019**

### **1) SIGNIFICANT ACCOUNTING POLICIES**

The Regional Hospital District has adopted the reporting format recommended by the Public Sector Accounting Board.

A statement of cash flows has not been provided as management has deemed it is not useful for its purposes.

Revenue and expenditures are reported on an accrual basis.

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from these estimates.

The financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the Regional Hospital District is not exposed to significant interest, currency or credit risk arising from these financial instruments.

### **2) LONG TERM DEBT**

Debenture debt is with the Municipal Finance Authority and is being repaid as per approved bylaws.