



Hospital District Board of Directors Meeting
Wednesday, May 8, 2024

Zoom/Board Room (Hybrid) – 3008 Fifth Avenue, Port Alberni, BC
Immediately following the Board of Directors Meeting

Regular Agenda

Watch the meeting live at <https://www.acrd.bc.ca/events/8-5-2024/>

Register to participate via Zoom Webinar at: https://acrd-bc-ca.zoom.us/webinar/register/WN_SrlUOI7OR2en979zvg3LLg#/registration

PAGE #

1. CALL TO ORDER

(immediately following the ACRD Board Meeting)

Recognition of Territories.

Notice to attendees and delegates that this meeting is being recorded and
livestreamed to YouTube on the Regional District Website.

2. APPROVAL OF AGENDA

(motion to approve, including late items requires 2/3 majority vote)

3. DECLARATIONS

(conflict of interest)

4. ADOPTION OF MINUTES

a. **Board of Directors Meeting – April 10, 2024**

3-6

*THAT the minutes of the Alberni-Clayoquot Regional Hospital District Board of
Directors held on April 10, 2024 be adopted.*

5. PETITIONS, DELEGATIONS & PRESENTATIONS (10-minute maximum)

6. CORRESPONDENCE FOR ACTION

7. CORRESPONDENCE FOR INFORMATION

a. **ISLAND HEALTH**

- Grant gives Indigenous Youth a Fighting Chance Through Boxing

7-10

- Reflections from the Frontline on the 8th Anniversary of the Toxic Drug Crisis

11-12

THAT this correspondence be received for information.

8. REQUEST FOR DECISIONS & BYLAWS

a. **Request for Decision**

13-58

Alberni-Clayoquot Regional Hospital District 2023 Financial Statements

THAT the Alberni-Clayoquot Regional Hospital District Board of Directors approve the 2023 Audited Financial Statements for the Alberni-Clayoquot Regional Hospital District as presented.

9. REPORTS

- a. Bamfield Health Centre – B. Beckett
- b. Alberni-Clayoquot Continuing Care Society – V. Siga
- c. West Coast Native Health Care Society – P. Cote
- d. Tofino General Hospital – West Coast Directors
- e. Alberni-Clayoquot Health Network – P. Cote/V Siga
- f. West Coast General Hospital – Alberni Valley Directors
- g. Other Reports

THAT the Regional Hospital Board of Directors receives reports a-g.

10. UNFINISHED BUSINESS

11. LATE BUSINESS

12. QUESTION PERIOD

Questions/Comments from the public:

- Participating in Person in the Board Room
- Participating in the Zoom meeting
- Emailed to the ACRD at responses@acrd.bc.ca

13. ADJOURN



Alberni-Clayoquot Regional Hospital District

MINUTES OF THE BOARD OF DIRECTORS MEETING HELD ON WEDNESDAY, APRIL 10, 2024

Hybrid - Zoom/Board Room, 3008 Fifth Avenue, Port Alberni, BC

DIRECTORS PRESENT: Debbie Haggard, Chair, Councillor, City of Port Alberni
John Jack, Vice-Chairperson, Chief Councillor, Huu-ay-aht First Nations
Bob Beckett, Director, Electoral Area "A" (Bamfield)
Fred Boyko, Director, Electoral Area "B" (Beaufort)
Vaida Siga, Director, Electoral Area "C" (Long Beach)
Penny Cote, Director, Electoral Area "D" (Sproat Lake)
Susan Roth, Director, Electoral Area "E" (Beaver Creek)
Mike Sparrow, Director, Electoral Area "F" (Cherry Creek)
Marilyn McEwen, Mayor, District of Ucluelet
Tom Stere, Councillor, District of Tofino

REGRETS: Sharie Minions, Mayor, City of Port Alberni
Moriah Cootes, Councillor, Uchucklesaht Tribe Government
Kirsten Johnsen, Member of Council, Toquaht Nation
Levana Mastrangelo, Executive Legislator, Yuułu?if?ath Government

STAFF PRESENT: Teri Fong, Chief Financial Officer
Alex Dyer, Manager of Planning & Development
Heather Zenner, Manager of Administrative Services
Janice Hill, Executive Assistant

The meeting can be viewed on the Alberni-Clayoquot Regional District website at:
<https://www.acrd.bc.ca/events/10-4-2024/>

1. CALL TO ORDER

The Chairperson called the meeting to order at 2:47 pm.

The Chairperson recognized this meeting is being held throughout the Nuu-chah-nulth territories.

The Chairperson reported this meeting is being recorded and livestreamed to YouTube on the Regional District website.

2. APPROVAL OF AGENDA

MOVED: Director Siga

SECONDED: Director Cote

THAT the agenda be approved as circulated with the addition of a late item in Agenda item 7- Correspondence for Information.

CARRIED

3. DECLARATIONS

4. ADOPTION OF MINUTES

a. Special Board of Directors Meeting – March 13, 2024

MOVED: Director Cote

SECONDED: Director Sparrow

THAT the minutes of the Special Alberni-Clayoquot Regional Hospital District Board of Directors meeting held on March 13, 2024 be adopted.

CARRIED

b. Board of Directors Meeting – March 13, 2024

MOVED: Director Sparrow

SECONDED: Director Cote

THAT the minutes of the Alberni-Clayoquot Regional Hospital District Board of Directors meeting held on March 13, 2024 be adopted.

CARRIED

5. PETITIONS, DELEGATIONS & PRESENTATIONS

6. CORRESPONDENCE FOR ACTION

7. CORRESPONDENCE FOR INFORMATION

Island Health

- News Release – Community Wellness Grant Program Call for Applications
- Code Hack 2024: Cutting-Edge Collaboration to Improve Card
- Resilience and Safety Grant Recipients
- Invite to West Coast General Hospital Foundation celebration on May 2nd from 5pm – 7pm at the Rim Rock Casino.

8. REQUEST FOR DECISIONS & BYLAWS

9. REPORTS

- a. **Bamfield Health Centre – B. Beckett.** Staff at the Bamfield Health Unit thrilled to report that the students at the Bamfield Community School had provided new artwork for the Health Centre.
- b. **Alberni-Clayoquot Continuing Care Society – V. Siga.** New management team is in place and looking forward to working with them.
- c. **West Coast Native Health Care Society – P. Cote.** Sixty people on waitlist for future housing. Looking at expanding. Currently going through accreditation process.
- d. **Tofino General Hospital – T. Stere.** Planning is underway for a secure room at the Tofino hospital, also plans to construct a gazebo this year as a culturally appropriate healing space. Protection Service Officers are replacing the commissionaires and have a sea-can on site. Parking lot renovations on hold. Island Health will be taking the Tofino Hospital concept (new facility) to the Province in May. Island Health will be coming to Tofino on Monday April 15th at the Tofino Royal Legion between 6 and 7:30pm for public forum. Tuesday April 16th Island Health breakfast meeting at Tin Wis.
- e. **Alberni-Clayoquot Health Network – P. Cote.** United Way Grant opportunity was identified for child and youth mental health programs (new & existing).
- f. **West Coast General Hospital – D. Haggard.** Mayor McEwen, Mayor Law, ACRD Chair Jack, and Hospital Chair Haggard meeting with Island Health on Friday morning. Haggard will be attending the Island Health meeting in Tofino on Tuesday April 16th.
- g. **Other Reports**

MOVED: Director Sparrow

SECONDED: Director Cote

THAT the Regional Hospital Board of Directors receives reports a-g.

CARRIED

10. UNFINISHED BUSINESS

11. LATE BUSINESS

12. QUESTION PERIOD

Questions/Comments from the public. The Manager of Administrative Services advised there were no questions or comments respecting an agenda topic from public:

- Participating in Person in the ACRD Board Room

- Participating in the Zoom webinar
- Submissions received by email at responses@acrd.bc.ca.

13. ADJOURN

MOVED: Director Siga

SECONDED: Director Jack

THAT this meeting be adjourned at 2:57 pm.

CARRIED

Certified Correct:

Debbie Haggard,
Chairperson

Heather Zenner,
Manager of Administrative Services

From: [Island Health Communication \[ISLH\]](#)
To: [Island Health Communication \[ISLH\]](#)
Subject: My Island Health stories: Grant gives Indigenous youth a fighting chance through boxing
Date: April 5, 2024 12:06:47 PM
Attachments: [image002.wmz](#)
[image005.png](#)
[image001.png](#)

[CAUTION] This email originated from outside of the ACRD

//islandhealth.ca/news" style="position:absolute;left:0;text-align:left;margin-left:7.75pt;margin-top:29.7pt;width:362.5pt;height:36pt;z-index:251659264;visibility:visible;mso-wrap-style:square;mso-width-percent:0;mso-height-percent:0;mso-wrap-distance-left:9pt;mso-wrap-distance-top:0;mso-wrap-distance-right:9pt;mso-wrap-distance-bottom:0;mso-position-horizontal:absolute;mso-position-horizontal-relative:text;mso-position-vertical:absolute;mso-position-vertical-relative:text;mso-width-percent:0;mso-height-percent:0;mso-width-relative:page;mso-height-relative:page">



FOR IMMEDIATE RELEASE
April 5, 2024

Grant gives Indigenous youth a fighting chance through boxing

Nanaimo – “We hook them in with boxing, but it’s so much more than the sport,” said head coach Ivy Richardson, Nuxalk and Guscigimukw Nations, about the transformational training programs she’s holding for Indigenous youth with support from Island Health.

In April 2023, Richardson’s Red Girl Rising Movement Society was one of 29 recipients of a portion of a total \$1.1 million through the first [Island Health Resilience and Safety grants](#) aimed at helping improve mental well-being, build youth resistance and mitigate harms associated with the toxic drug supply.

“We are facing so many real challenges today. This innovative approach is about building resilience, fostering community, and empowering our youth to thrive,” said Jennifer Whiteside, Minister of Mental Health and Addictions. “By providing these opportunities, we are not only helping to improve young people’s wellbeing, but also equipping them with the tools they need to succeed in all aspects of life. The Red Girl Rising Movement Society is making a real, meaningful difference in the lives of Indigenous youth on the island.”

In partnership with the host Nation and Boxing BC, Richardson put 20 Indigenous youth from across B.C. through the paces at a training camp for three days this summer in W̱SÁNEĆ Territory at the Tsartlip First Nation (west side of Saanich Peninsula). Within one week of registration opening, through only word of mouth promotion, the program was full and there were 100 people on the waitlist.

“Soccer and basketball are usually the only sports available, so this was an opportunity to try something different and get outside their comfort zone, while building relationships with other like-minded youth and strong leaders. We also focused on mental well-being and helped develop their toolkits with healthy coping and lifestyle habits,” said the former amateur boxer. “It was incredible to see the transformation in such a short time, to see them arrive shy and reserved, and then see the confident smiles on the last evening.”

Sixteen-year-old Margo Recalma, Hesquiaht First Nation Qualicum, Nam’gis First Nations, attended the camp and is one of 10 athletes on Team 700, B.C.’s first competitive Indigenous youth boxing team, also funded partly through the Resilience and Safety Grant. Her first competition will be in May in Sooke on an all-female international card.



Pictured: Margo and Ivy, Team 700

"I'm really grateful for Ivy and Aubrey [Aubrey Morrow, another coach] and the team, grateful for the coaching and for pushing us hard," she said.

The grade 11 student said the two programs have changed her life. "Before boxing, I wasn't doing well at school or anything and now I've been doing much better in school. Boxing has taught me about breathwork and that's helped me with everything in life. I've also improved my sleep and I'm trying to eat better."

Walter Fred, TSESHAHT and Ucluelet First Nations, said the camp and being on the team have positively impacted nearly all aspects of his life too. "My mental health and physical health have improved, and my lifestyle has changed. The boxing and training is mentally challenging and strengthening, which gives me an extra push in life."



Pictured: Trent, Walter and Keanu, members of Team 700

The Team 700 training and program, based out of the Nanaimo Boxing Club, also encourages members to be community champions and build capacity. Recalma was hired as a junior coach and is at the gym six days a week. Fred has been helping to facilitate boxing programs across the province, including in his hometown of Port Alberni.

“Generally we fail youth by setting the bar too low and just passing them through,” said Richardson. “So we push our youth and have high expectations, and they exceed the goals all the time. Our youth deserve to thrive and not just survive.”

“Island Health’s support has been instrumental in creating these opportunities for our Indigenous youth, and we want to express our heartfelt gratitude for making a lasting impact on their lives. Together, we are empowering the next generation and providing them with the tools they need to succeed, not only in sports but in life,” she said.



Pictured: Team 700 with Coach Ivy (bottom right)

The Resilience and Safety Grants provide the opportunity for not-for-profit organizations, local government organizations and Indigenous Nations, communities, and for-profit businesses (in partnership with a non-profit) to apply for one-time funding to advance youth resilience. The Youth Grants encourage connection to culture, belonging to a family or community, connection to stable and supportive adults, and autonomy, competence and purpose. The latest round of grant recipients was announced April 4.

Learn more about the [Resilience and Safety Grants](#).

Learn more about Richardson and [Red Girl Rising Boxing, Fitness, and Wellness](#) and [Team 700](#).

All photos courtesy of Anna Kawahara, Serene Studio.

About Island Health:

Island Health provides health and care services to more than 885,000 people on Vancouver Island, the islands in the Salish Sea and the Johnstone Strait, and mainland communities north of Powell River. With more than 30,000 health-care professionals, including more than 3,000 doctors, nurse practitioners, midwives and dentists that make up our Medical Staff – as well as 1,000 volunteers, and the dedicated support of 12 foundations and 19 active auxiliaries – Island Health delivers a broad range of health services, including: public health services, primary health care, home and community care, mental health and substance use services, acute care in hospitals, and much more across a huge and geographically diverse region.

-30-

**Central/North Island media
inquiries**

Dominic Abassi
250-755-7966

Dominic.Abassi@islandhealth.ca

**Cowichan/South Island media
inquiries:**

Andrew Leyne
250-370-8908

Andrew.Leyne@islandhealth.ca

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From: [Island Health Communication \[ISLH\]](#)
To: [Island Health Communication \[ISLH\]](#)
Subject: My Island Health stories: Reflections from the frontline on the 8th anniversary of the toxic drug crisis
Date: April 12, 2024 11:35:35 AM
Attachments: [image002.wmz](#)
[image005.png](#)
[image001.png](#)

[CAUTION] This email originated from outside of the ACRD



FOR IMMEDIATE RELEASE

April 12, 2024

Reflections from the frontline on the 8th anniversary of the toxic drug crisis

VICTORIA – In the eight years since the toxic drug crisis was declared a public health emergency in B.C. on April 14, 2016), 2,428 sons, daughters, parents, grandparents, loved ones, neighbours and friends have been lost in the Island Health region (as of January 2024).

Members of Island Health’s Harm Reduction Team, who work tirelessly to support people who use substances to achieve better health outcomes, reflect on this somber anniversary.

Beth Haywood knows of the devastating effects of the toxic drug crisis all too well: she used crack cocaine and heroin for 20 years.

“Stigma kills,” said Haywood, a peer project coordinator.

The mother of four experienced stigma when accessing health services. Her lived experience using substances in the past helps her provide compassion and empathy in her role now on the Harm Reduction Team. This also assists her in her work to help develop improved policies and services.

“We need to see people as equal and deserving of our continued love and support. The harm reduction work that we do is grounded in an equity lens, with the belief that people who use substances deserve the same care and service we give anyone with any health condition. You wouldn’t turn your back on someone who had cancer, just like we don’t turn our backs on someone struggling with substance use,” Haywood said.

Tracey Thompson, a harm reduction coordinator at Island Health, has been using the principles of harm reduction to guide her work for more than 20 years.

“I’ve seen the healthcare system make great strides to expand and improve services but despite this, the wicked nature of the public health emergency causes distress, as injury and death related to unregulated substances continue to increase,” she said.

Harm reduction for substance use is an approach Island Health staff are guided by that “meets people where they’re at in the moment”. This approach accepts that people may continue to use substances while working towards goals related to improving health, reducing consumption or stopping use. Harm reduction is a critical part of the care and treatment continuum that also recognizes that recovery is a self-driven, lifelong journey. By withholding judgement and positively encouraging people with education, support, treatment and aftercare, staff help reduce the harms associated with substance use.

Research shows harm reduction services and strategies can:

- Reduce stigma
- Increase access to support programs, and health and social services
- Reduce sharing of substance use equipment
- Reduce hepatitis C and HIV
- Reduce deaths and harms from drug poisoning and substance use
-
-

Thompson's colleague, Kayla Huggard, also a harm reduction coordinator, noted that the toxic drug crisis as a public health emergency is influenced by the social determinants of health.

"These are non-medical factors like housing, income, and social connection, she said. "Everyone deserves safe and appropriate access to healthcare."

Island Health offers a range of safe, respectful health care services for people seeking to manage their substance use. Services offered include drug-checking and overdose prevention, prevention and early intervention, counselling, medications to treat substance use disorder, and services for detox, treatment and recovery. These programs and resources are now easier to locate through the implementation of the single toll-free Service Link phone line, 1-888-885-8824, providing information and help navigating services for substance use, harm reduction, and mental health across Island Health.

Learn more about Island Health's Harm Reduction for Substance Use services
<https://www.islandhealth.ca/our-services/mental-health-substance-use-services>

-
About Island Health:

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To: Regional Hospital District Board of Directors
From: Teri Fong, CPA, CGA, Chief Financial Officer
Meeting Date: May 8, 2024
Subject: Alberni-Clayoquot Regional Hospital District 2023 Financial Statements

Recommendation:

THAT the Alberni-Clayoquot Regional Hospital District Board of Directors approve the 2023 Audited Financial Statements for the Alberni-Clayoquot Regional Hospital District as presented.

Summary:

The draft 2023 Alberni-Clayoquot Regional Hospital District (ACRHD) Financial Statements have been attached for consideration of approval. KPMG has provided the attached audit findings letter, also attached, for the ACRHD for the year ended December 31, 2023. The approval of the financial statements by the Alberni-Clayoquot Regional Hospital District Board of Directors is a requirement of the audit.

Background:

The statements have been prepared by staff and audited by KPMG for the Directors consideration.

Policy or Legislation:

The statements comply with Generally Accepted Accounting Principles and Public Sector Accounting Standards.

Submitted by: Teri Fong
Teri Fong, CPA, CGA, Chief Financial Officer

Reviewed by: Cynthia Dick
Cynthia Dick, General Manager of Administrative Services

Approved by: Daniel Sailland
Daniel Sailland, MBA, Chief Administrative Officer

ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT
Financial Statements
Year Ended December 31, 2023

ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT

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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Alberni-Clayoquot Regional Hospital District

Opinion

We have audited the financial statements of Alberni-Clayoquot Regional Hospital District (the "District"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations 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 District as at December 31, 2023, and its results of operations, its changes 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the 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.

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 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 District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.

Auditor's 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 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 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 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 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 auditor's 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 auditor's report. However, future events or conditions may cause the District 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.

DRAFT

Chartered Professional Accountants

April XX, 2024

Victoria, Canada

ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT

Statement of Financial Position

As at December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash	\$ 6,538,078	\$ 5,672,621
Portfolio investments	80	76
Accounts receivable	29,603	21,248
Due from Regional District of Alberni-Clayoquot	-	8,779
Municipal Finance Authority debt reserve fund deposit (Note 4)	1,547	7,775
	6,569,308	5,710,499
LIABILITIES		
Accounts payable	\$ 38,827	195,785
Accrued interest	131	772
Due to Regional District of Alberni-Clayoquot	5,350	-
Debt (Note 6) (Schedule 1)	10,877	75,524
	55,185	272,081
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	\$ 6,514,123	\$ 5,438,418

Contingent liability (Note 4)



Teri Fong, CPA, CGA
Chief Financial Officer

The accompanying notes are an integral part of these financial statements.

ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT**Statement of Operations****Year Ended December 31, 2023**

	Budget 2023 (Note 8)	2023	2022
REVENUE			
Taxation (Schedule 2)	\$ 1,836,000	\$ 1,836,000	1,835,999
Grants in lieu of taxes	7,000	35,496	13,588
Interest revenue	20,000	310,603	131,257
Actuarial income	-	6,534	33,688
	1,863,000	2,188,633	2,014,532
EXPENSES			
Interest on debt	\$ 5,000	\$ 3,819	\$ 17,555
Administrative costs	45,500	45,850	45,000
Grants to Island Health	1,718,000	1,105,993	1,198,319
	1,768,500	1,155,662	1,260,874
Gain on unamortized debenture discount	-	(42,734)	-
ANNUAL SURPLUS	\$ 94,500	\$ 1,075,705	753,658

The accompanying notes are an integral part of these financial statements.

ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT

Statement of Changes in Net Financial Assets

and Accumulated Surplus

Year Ended December 31, 2023

	Budget 2023 (Note 8)	2023	2022
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$ 5,438,418	\$ 5,438,418	\$ 4,684,760
Annual surplus	94,500	1,075,705	753,658
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS - END OF YEAR	\$ 5,532,918	\$ 6,514,123	\$ 5,438,418

The accompanying notes are an integral part of these financial statements.

ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT**Statement of Cash Flow****Year Ended December 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Annual surplus	\$ 1,075,705	\$ 753,658
Non-cash items included in surplus:		
Actuarial income	(6,534)	(33,688)
Gain on unamortized debenture debt	(42,734)	-
	(49,268)	(33,688)
Changes in non-cash working capital:		
Accounts receivable	(8,355)	(18,386)
Due from Regional District of Alberni-Clayoquot	8,779	(8,779)
Municipal Finance Authority debt reserve fund deposit	6,228	8,164
Accounts payable	(156,958)	195,785
Accrued interest	(641)	(820)
Due to Regional District of Alberni-Clayoquot	5,350	-
	(145,597)	175,964
Cash flow from operating activities	880,840	895,934
FINANCING ACTIVITIES		
Repayment of debt	(15,379)	(28,524)
INVESTING ACTIVITIES		
Purchase of investments	(4)	(76)
INCREASE IN CASH FLOW	865,457	876,334
Cash - beginning of year	5,672,621	4,805,287
CASH - END OF YEAR	\$ 6,538,078	\$ 5,672,621

The accompanying notes are an integral part of these financial statements.

ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements

Year Ended December 31, 2022

1. NATURE OF THE ORGANIZATION

The Alberni-Clayoquot Regional Hospital District (the "Hospital District") was incorporated in 1967 under the Regional Hospital District Act. Its principal activities include the borrowing of monies from the Municipal Finance Authority of British Columbia and advancing those monies for hospital planning and development within the region.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Canadian Institute of Chartered Professional Accountants.

Budget reporting

The budget information reported in the statement of operations and the statement of change in net financial assets represents the 2023 budget as adopted by the Hospital District's Board on March 8, 2023.

Financial instruments:

Financial instruments are designated either at fair value or cost. Financial instruments are adjusted by transaction costs incurred on acquisition and amortized using the effective interest rate method.

Portfolio investments include Municipal Finance Authority of British Columbia (MFA) pooled investments, by which market-based unit values are allocated amongst the participants in the investment pool, the other long-term investments in securities, including money market investments, which are carried at cost.

Financial assets are assessed for impairment on an annual basis. If there is an indicator of impairment, the Hospital District determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Hospital District expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Debt

Debt is recorded net of any related repayments and actuarial additions. Interest expense is recorded in the period incurred. The debt schedule indicates the amount of debt payable in accordance with schedules received from the Municipal Finance Authority.

Revenue recognition

Taxation revenues are recognized in the period in which they are levied. Grants-in-lieu of property taxes and other revenues are recognized when amounts are known and collectability is reasonably assured. Interest revenue is recognized when earned.

ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements

Year Ended December 31, 2022

3. CHANGES IN ACCOUNTING POLICY

On January 1, 2023, Public Accounting Standard PS 3450 – Financial Instruments, and Public Accounting Standard PS 2601 – Foreign Currency Translation were adopted. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions. The new standards had no impact to the financial statements on adoption.

4. DEBT RESERVE FUND

The MFA is required to establish a Debt Reserve Fund into which each borrower who shares in the proceeds of a debt issue is required to pay certain amounts set out in the debt agreements. Interest earned on these funds (less administrative expenses) becomes an obligation of the MFA to the borrower. If at any time insufficient funds are provided by the borrowers, the MFA will then use these funds to meet payments on its obligations. When this occurs, the borrowers may be called upon to restore the fund. The balance of the Hospital Districts' Debt Reserve Fund deposits at December 31, 2023 is \$1,547 (2022 - \$7,775).

As a condition of the borrowing, the Hospital District is also obligated to lodge security by means of demand notes based on the amount of the borrowing. The notes, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default and are not recorded in the financial statements. Upon maturity of a debt issue, the demand notes are released. As of December 31, 2023, there are contingent demand notes of \$2,580 (2022 - \$13,577).

5. RELATED PARTY

The Alberni-Clayoquot Regional Hospital District is related to the Alberni-Clayoquot Regional District; the same individuals are the Board of Directors for both organizations. As legislated by the Hospital District Act, the officers and employees of the Alberni-Clayoquot Regional District are the corresponding officers and employees of the Alberni-Clayoquot Regional Hospital District. Each of the Regional District and the Hospital District are separate legal entities as defined by separate Letters Patent and authorized by separate legislation. During the year the Alberni-Clayoquot Regional Hospital District purchased, at cost, \$45,350 (2022 - \$40,000) of administrative support services from the Alberni-Clayoquot Regional District.

At December 31, 2023, the Alberni-Clayoquot Regional District owes the Hospital District \$nil (2022 - \$8,779). At December 31, 2023, the Hospital District owes the Alberni-Clayoquot Regional District \$5,350 (2022 - \$nil) related to administration costs incurred.

ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements

Year Ended December 31, 2022

6. DEBT

All borrowings for the Hospital District are with the MFA. Debt interest costs are charged against revenue as incurred. The debenture debt "Schedule 1" reflects the amount of debt payable.

Principal payments due within the next five years and thereafter are as follows:

2024	5,370
2025	5,507
2026	-
2027	-
2028	-
	<hr/>
	10,877

7. FINANCIAL RISKS AND CONCENTRATION OF RISK

The Hospital District has exposure to the following risks from its use of financial instruments:

a) Credit risk:

Credit risk refers to the risk that a counter party may default on its contractual obligations resulting in a financial loss. The Hospital District is subject to credit risk with respect to the accounts receivable and cash and cash equivalents. Credit risk arises from the possibility that taxpayers and entities to which the Hospital District provides services may experience financial difficulty and be unable to fulfill their obligations. This risk is mitigated as most accounts receivable are due from government agencies and are collectible.

b) Liquidity risk:

Liquidity risk is the risk that the Hospital District will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Hospital District manages its liquidity risk by monitoring its operating requirements; preparing budget and cash forecast to ensure it has sufficient funds to fulfill its obligations.

c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Hospital District's income or the value of its holdings. The objective of market risk management is to control risk exposures within acceptable parameters while optimizing return on investment.

i. Foreign exchange risk

The Hospital District does not enter into foreign exchange transactions and therefore is not exposed to foreign exchange risk.

ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT

Notes to Financial Statements

Year Ended December 31, 2022

7. FINANCIAL RISKS AND CONCENTRATION OF RISK (CONTINUED)

c) Market risk (continued):

ii. Interest rate risk

The Hospital District is exposed to interest rate risk through its investments and debt instruments. It is management's opinion that the Hospital District is not exposed to significant interest rate risk due to size of its investment portfolio.

Exposure to interest rate risk in relation to debt is limited to long-term debt renewals and short-term financing. The risk applies only to long-term debt when amortization periods exceed the initial locked in term. Short-term financing is subject to daily floating rates, which can result in variability over the course of short-term financing. Interest rate risk related to debt instruments is managed through budget and cash forecasts.

8. BUDGET RECONCILIATION

Budget figures represent the budget bylaw adopted by the Board on March 8, 2023.

Adjustments to the 2023 budgeted annual surplus

Consolidated financial plan balanced cash budget as approved March 8, 2023.	\$ -
Add principal debt payments	16,000
Add transfers to reserves	189,652
Less surplus from prior years	(111,152)
<hr/> Annual surplus per Statement of Operations	<hr/> \$ 94,500

ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT

Schedule of Debenture Debt

(Schedule 1)

Year Ended December 31, 2023

By-law	MFA Issue	Maturity date	Term	Rate	Amount Borrowed	Total Instalments to date	Actuarial addition	2023 Balance	2022 Balance
82	93	06 Apr 2025	20	0.79%	\$ 14,342	\$ 12,562	-	\$ 1,780	\$ 2,637
75	93	06 Apr 2025	20	0.79%	73,282	64,185	-	9,097	13,476
75	79	03 Jun 2023	20	2.25%	335,361	202,843	132,518	-	16,677
Unamortized debenture discount								-	42,734
					\$ 422,985	\$ 279,590	\$ 132,518	\$ 10,877	\$ 75,524

ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT

Schedule of Member Municipalities Tax Requisitions

(Schedule 2)

Year Ended December 31, 2023

	Budget 2023	2023	2022
MUNICIPALITIES			
City of Port Alberni	\$ 682,652	682,652	695,873
District of Tofino	324,493	324,493	307,057
District of Ucluelet	202,004	202,004	183,376
	1,209,149	1,209,149	1,186,306
FIRST NATIONS			
Huu-ay-aht First Nations	521	521	482
Yuułuʔiłʔatḥ Government	1,958	1,958	1,910
Uchucklesaht Tribe Government	57	57	56
Toquaht Nation	-	-	-
	2,536	2,536	2,448
ELECTORAL AREAS			
"A" Bamfield	45,372	45,372	46,034
"B" Beaufort	30,008	30,008	31,930
"C" Long Beach	64,467	64,467	69,478
"D" Sproat Lake	267,637	267,637	272,365
"E" Beaver Creek	113,546	113,546	119,750
"F" Cherry Creek	103,285	103,285	107,688
	624,317	624,317	647,245
	\$ 1,836,000	1,836,000	1,835,999



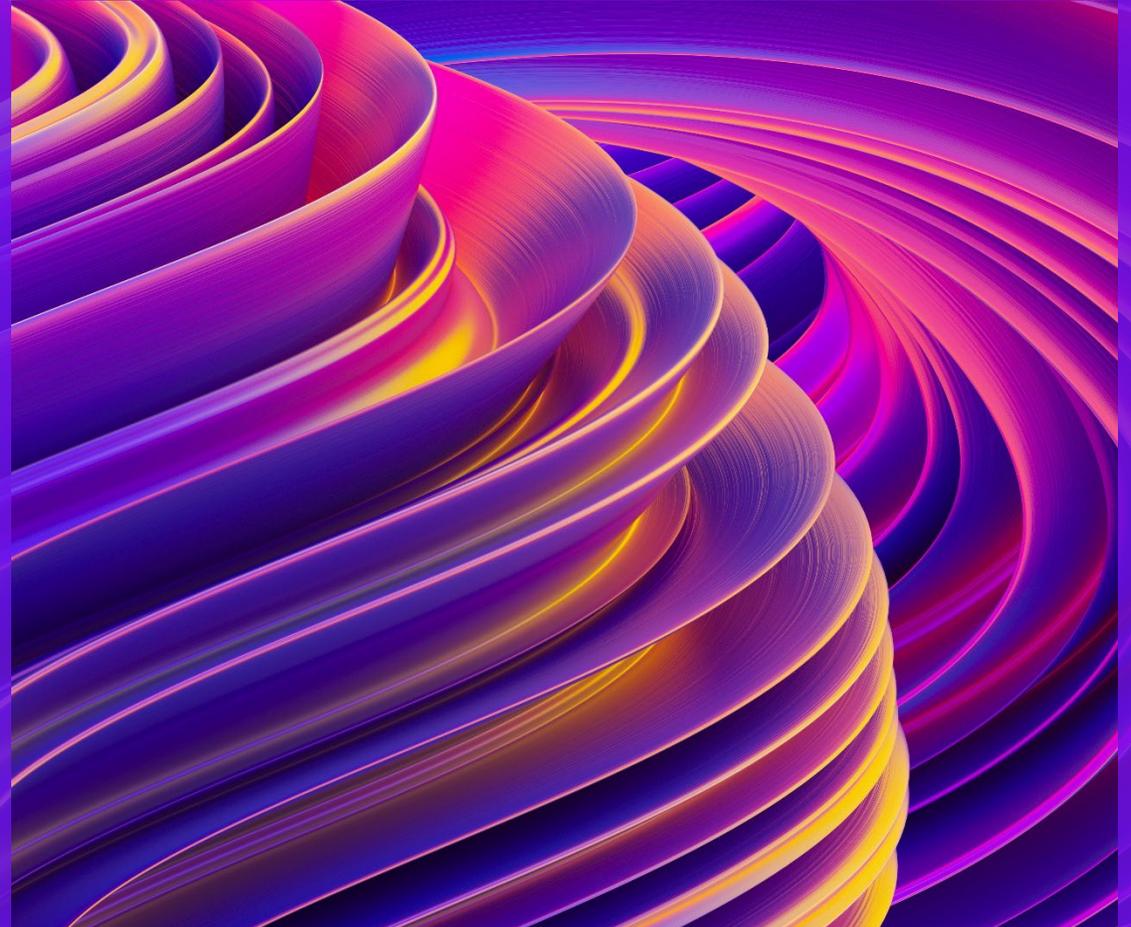
Alberni-Clayoquot Regional Hospital District

Audit Findings Report
for the year ended
December 31, 2023

KPMG LLP

Prepared for the meeting on April 24, 2024

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement

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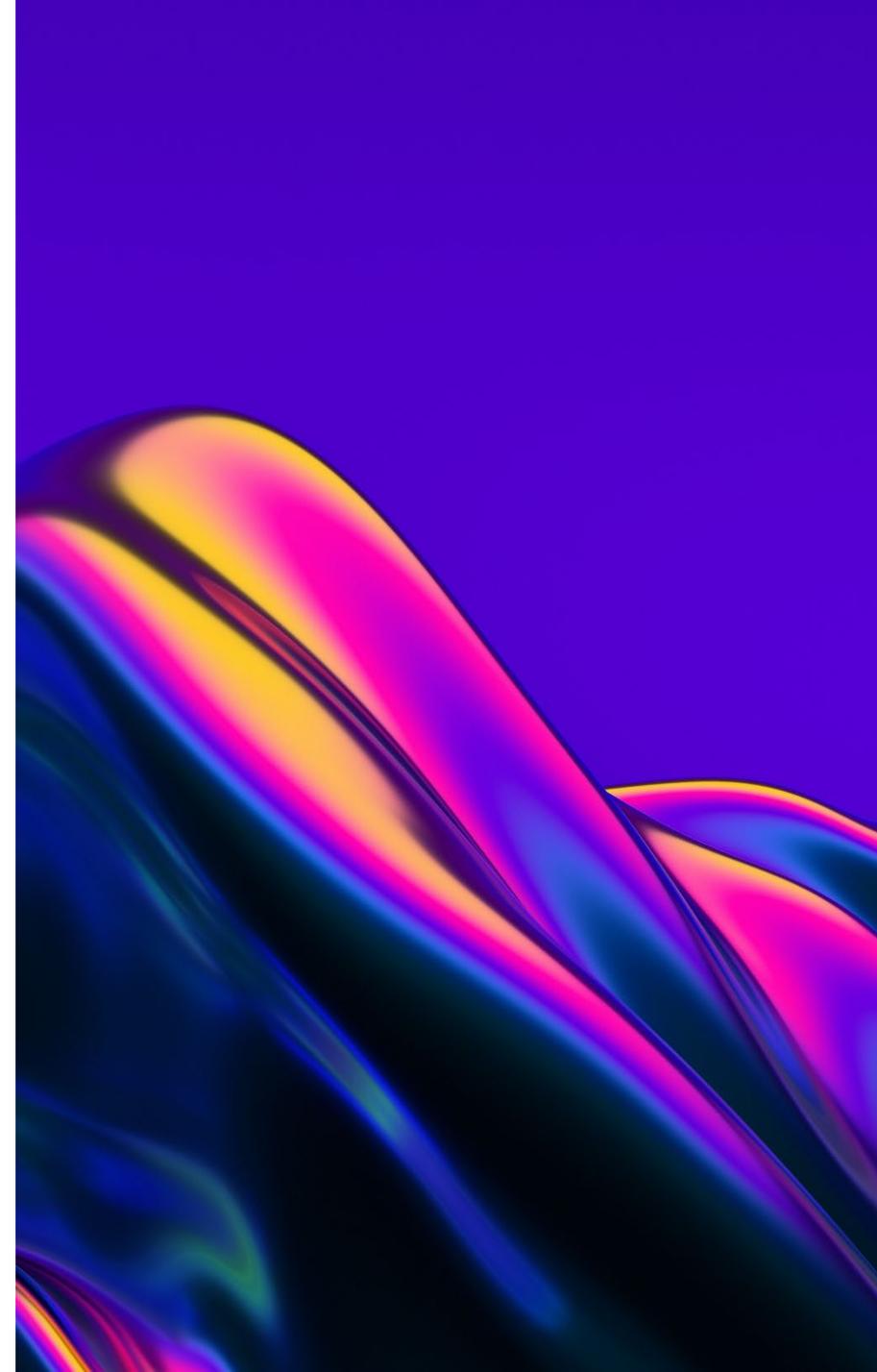


Table of contents

Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

4	Highlights	5	Status	6	Risks and results	8	Misstatements
9	Control deficiencies	10	Policies and practices	11	Appendices		

The purpose of this report is to assist you, as a member of the Board of Directors (the “Board”), in your review of the results of our audit of the financial statements as at and for the period ended December 31, 2023. This report is intended solely for the information and use of Management and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Audit highlights



No matters to report



Matters to report – see link for details

Scope

Our audit of the financial statements (“financial statements”) of Alberni-Clayoquot Regional Hospital District (“the Entity” or “ACRHD”) as of and for the year ended December 31, 2023, was performed in accordance with Canadian generally accepted auditing standards.

Status

We have completed the audit of the financial statements (“financial statements”), with the exception of certain remaining outstanding procedures, which are highlighted on the ‘Status’ slide of this report.

Risks assessment and results

- Significant risks
- No significant risks to report beyond those required by professional standards
- Other risks of material misstatement
- Other procedures
- Going concern matters

Uncorrected misstatements

Uncorrected misstatements
There are no matters to report

Corrected misstatements

Corrected misstatements
The management representation letter includes all misstatements identified as a result of the audit, communicated to management and subsequently corrected in the financial statements. One minor adjustment of \$42,734 was identified and recorded related to the unamortized debt discount upon full payout of the debt.

Control observations

Control observations
We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting. We have provided an update on prior year control observations.

Policies and practices

Accounting policies and practices
 Other financial reporting matters



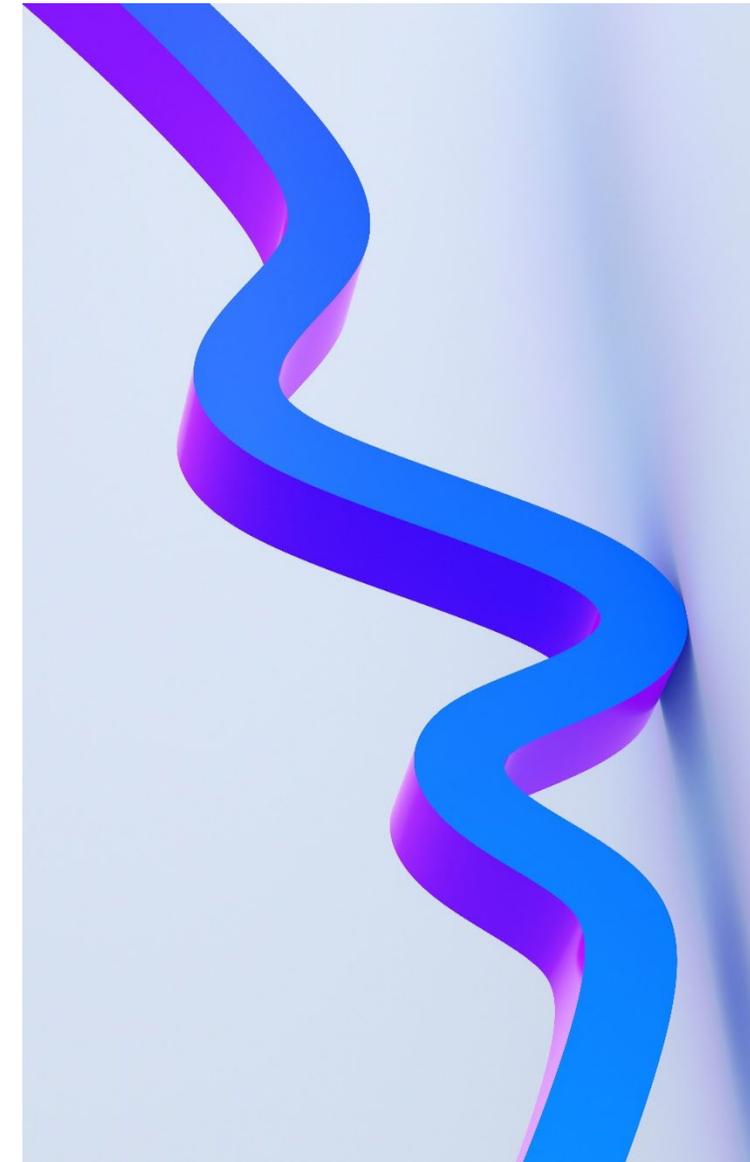
Status

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Board of Directors
- Obtaining evidence of the Board of Directors' acceptance of the financial statements
- Obtaining a signed management representation letter
- Completing subsequent event review procedures up to the date of the Board of Directors' acceptance of the financial statements.

We will update the Board, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

A draft of our auditor's report is included in the draft financial statements.





Significant risks and results

We highlight our significant findings in respect of **significant risks** as identified in our discussion with you in the Audit Plan, as well as any additional significant risks identified.



Fraud risk from management override of controls

This is a presumed fraud risk. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities. We have not identified any specific additional risks of management override relating to this audit.

Our response

Our procedures included:

- testing of journal entries and other adjustments,
- performing a retrospective review of estimates,
- evaluating the business rationale of significant unusual transactions.

Significant findings

- There were no issues noted in our testing.





Other procedures performed



Cash, investments and debt

Response and findings

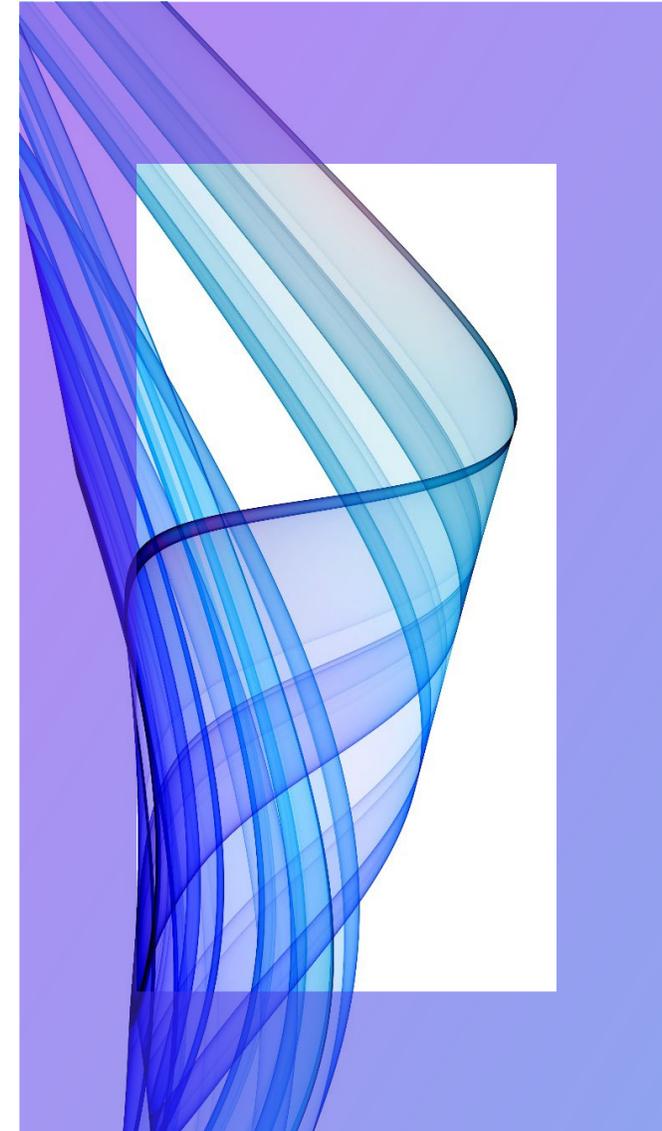
- We confirmed the balances with the respective financial institutions.
- We tested the mathematical accuracy of investment income recognized during the period.
- We tested subsequent payments to determine if they were recorded in the correct accounting period.
- No issues were noted in our testing.



Revenue and expenses

Response and findings

- We completed a test of details over taxation revenue, agreement amounts to budget, requisition and cash receipt.
- Grants to Island Health were tested by comparing actual expenses to approved bylaws, and cash payments.
- No issues were noted in our testing.





Corrected misstatements

Corrected misstatements include financial presentation and disclosure misstatements.



Impact of corrected misstatements

On maturity and final payment of a debt issue, we recommended the related unamortized debenture discount of \$42,734 be derecognized and written off. This amount has been corrected in the financial statements.

Below is a summary of the impact of the corrected misstatements:

Description	Statement of operations	Financial position		
	Annual Surplus (Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Opening accumulated surplus (Decrease) Increase
Overstatement of debt – unamortized debenture discount	42,734	-	(42,734)	-
Total misstatements	42,734	-	(42,734)	-



Control deficiencies

Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.

We did not identify any significant deficiencies in internal control over financial reporting.



Accounting policies and practices

We also highlight the following:



Significant accounting policies



- Management adopted PS 3280 Asset Retirement Obligations during the year using the modified retroactive method. There were no issues noted as a result of adoption.
- Management adopted PS 3450 *Financial Instruments* and PS 2601 *Foreign Currency Translation* during the year. There were no issues noted as a result of adoption.
- There were no significant accounting policies in controversial or emerging areas.
- There were no issues noted with the timing of ACRHD's transactions in relation to the period in which they were recorded.
- There were no issues noted with the extent to which the financial statements are affected by a significant unusual transactions and extent of disclosure of such transactions.
- There were no issues noted with the extent to which the financial statements are affected by non-recurring amounts recognized during the period and extent of disclosure of such transactions.



Significant accounting estimates



- There were no issues noted with management's identification of accounting estimates.
- There were no issues noted with management's process for making accounting estimates.
- There were no indicators of possible management bias.



Significant qualitative aspects of financial statement presentation and disclosure



- There were no issues noted with the judgments made, in formulating particularly sensitive financial statement disclosures.
- There were no issues noted with the overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- There were no significant potential effects on the financial statements of significant risks, exposures and uncertainties.

Appendices

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Management
representation letter

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Audit quality

4

Changes in accounting
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Environmental, social
and governance (ESG)



Appendix 1: Required communications



Auditor's report

Refer to the draft report attached to the financial statements.

Engagement letter

The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter.



Independence

As required by professional standards, we have considered all relationships between KPMG and the Entity that may have a bearing on independence. We confirm that we are independent with respect to the Entity within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any other standards or applicable legislation or regulation from January 1, 2023 up until the date of this report.

Management representation letter

We will obtain from management certain representations at the completion of the audit. In accordance with professional standards, a copy of the representation letter is attached.



Appendix 2: Management representation letter

KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria, BC V8W 3Y7

April 24, 2024

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Alberni-Clayoquot Regional Hospital District ("the Entity") as at and for the period ended December 31, 2023.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated September 29, 2022. including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of the board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.

- e) providing you with additional information that you may request from us for the purpose of the engagement.
- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.

- e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

- 8) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.

Misstatements:

- 10) We approve the corrected misstatements identified by you during the audit described in [Attachment II](#).

Non-SEC registrants or non-reporting issuers:

- 11) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 12) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

Daniel Sailland, Chief Administrative Officer

Teri Fong, Chief Financial Officer

cc: Board of Directors

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II – Summary of Audit Misstatements Schedule

Corrected misstatements in the current period

The following misstatements were identified during the audit and subsequently corrected in the financial statements:

	Statement of operations	Financial position		
Description	Annual Surplus (Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Opening accumulated surplus (Decrease) Increase
Overstatement of debt – unamortized debenture discount	42,734	-	(42,734)	-
Total misstatements	42,734	-	(42,734)	-



Appendix 3: Audit quality - How do we deliver audit quality?

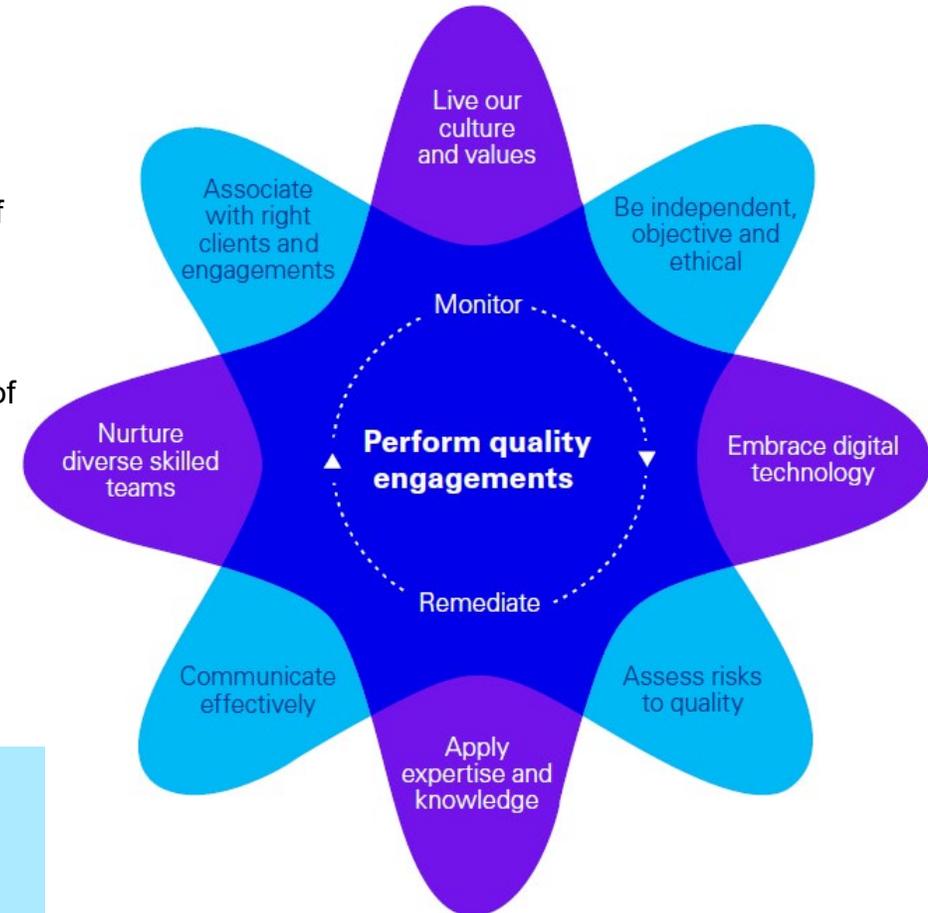
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

 [KPMG 2023 Audit Quality and Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



Doing the right thing. Always.



Appendix 4: Changes in accounting standards

Standard	Summary and implications
Revenue <div data-bbox="206 486 443 544" style="border: 1px solid blue; border-radius: 15px; padding: 2px 10px; display: inline-block;">Effective FY2024</div>	<ul style="list-style-type: none"> • The new standard PS 3400 <i>Revenue</i> is effective for fiscal years beginning on or after April 1, 2023. • The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. • The standard notes that in the case of revenue arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. • The standard notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
Purchased Intangibles <div data-bbox="206 736 443 793" style="border: 1px solid blue; border-radius: 15px; padding: 2px 10px; display: inline-block;">Effective FY2024</div>	<ul style="list-style-type: none"> • The new Public Sector Guideline 8 <i>Purchased intangibles</i> is effective for fiscal years beginning on or after April 1, 2023 with earlier adoption permitted. • The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles. • Narrow scope amendments were made to PS 1000 <i>Financial statement concepts</i> to remove the prohibition to recognize purchased intangibles and to PS 1201 <i>Financial statement presentation</i> to remove the requirement to disclose purchased intangibles not recognized. • The guideline can be applied retroactively or prospectively.
Public Private Partnerships <div data-bbox="206 1136 443 1193" style="border: 1px solid blue; border-radius: 15px; padding: 2px 10px; display: inline-block;">Effective FY2024</div>	<ul style="list-style-type: none"> • The new standard PS 3160 <i>Public private partnerships</i> is effective for fiscal years beginning on or after April 1, 2023. • The standard includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. • The standard notes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the public private partnership ends. • The public sector entity recognizes a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure. • The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project. • The standard can be applied retroactively or prospectively.



Appendix 4: Changes in accounting standards (continued)

Standard	Summary and implications
Employee benefits	<ul style="list-style-type: none"> • The Public Sector Accounting Board has initiated a review of sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. • The intention is to use principles from International Public Sector Accounting Standard 39 <i>Employee benefits</i> as a starting point to develop the Canadian standard. • Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues. • The proposed section PS 3251 <i>Employee benefits</i> will replace the current sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. It will apply to fiscal years beginning on or after April 1, 2026. Early adoption will be permitted and guidance applied retroactively. • This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations. • The Public Sector Accounting Board is in the process of evaluating comments received from stakeholders on the exposure draft.



Appendix 4: Changes in accounting standards (continued)

Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.
Financial Statement Presentation	<ul style="list-style-type: none"> The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted. The proposed section includes the following: <ul style="list-style-type: none"> Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. Separating liabilities into financial liabilities and non-financial liabilities. Restructuring the statement of financial position to present total assets followed by total liabilities. Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”. A new provision whereby an entity can use an amended budget in certain circumstances. Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position. The Public Sector Accounting Board is currently deliberating on feedback received on exposure drafts related to the reporting model.



Appendix 5: Audit and assurance insights

Our latest thinking on the issues that matter most to the Finance and Audit Committee, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook reports.

Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

Accelerate 2023

The key issues driving the audit committee agenda in 2023.

Momentum

A quarterly newsletter with the latest thought-leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

KPMG Climate Change Financial Reporting Resource Centre

Our climate change resource center provides insights to help you identify the potential financial statement impacts to your business.

IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.





Appendix 6: How we can help along your ESG reporting journey

Preparing for ESG reporting in accordance with regulatory standards will take substantial time and resources – it is a journey. The end goal is implementing and sustaining ESG external reporting in compliance with the applicable reporting frameworks in such a way that the ESG information and metrics reported can be verified and assured.

As your financial statement auditor, we are able to support you across a number of activities throughout your ESG reporting journey, prior to undertaking assurance readiness or formal assurance on your reported ESG information and metrics.



Establish

- Findings and observations with respect to **materiality assessment**, governance structure, reporting strategy
- **Gap assessment** to global reporting standards (e.g., IFRS S1 and S2)
- **Peer benchmarking and insights** on industry best practices



Implement / Report

- ESG reporting **training** to Board and Management



Assess

- Feedback on **current state operating model**, including processes, people, technology, service delivery model and data
- Review existing **data and estimation methodologies**



Design

- Provide management with feedback on the **reporting roadmap**
- Findings and observations on draft **external disclosures** based on leading practice





Appendix 6: Why your auditors should be engaged in the reporting journey

We are one-team at KPMG.

With KPMG's one-team approach, you will benefit from the efficiencies gained by having members of your financial statement audit team engaged in your ESG reporting journey along with our ESG subject matter experts.



We know you

It is important to have a general understanding of the entity and its control environment (e.g., IT systems and underlying processes) to best support you in your ESG reporting journey



Coordinated approach

Management meetings are carried out once and leveraged across your financial statement and ESG journey process, wherever possible



Synergies gained

Key messages and reports to management and the audit committee will be consistent and include both financial and ESG information



Connected to financial statements

Increased demand for consistency between ESG reporting and financial reporting puts us in the best position to support you



Single point of contact

Having KPMG as your ESG service provider – your key audit points of contacts will enable you to get clear perspectives on all your reporting needs when you need them



Future efficiencies

Engaging us in the reporting process today will be an investment that will lead to efficiencies when undergoing limited assurance in the future



Appendix 6: IFRS Sustainability disclosure standards

Environmental, social and governance (“ESG”)

First IFRS Sustainability Disclosure Standards

The arrival of the first two IFRS Sustainability Disclosure Standards marks a key milestone in sustainability reporting and is a significant step towards creation of a global baseline for stakeholder-focused sustainability reporting that local jurisdictions can build on. **Although the standards are not required to be adopted by ACRHD, the new IFRS sustainability standards provide key insights into what the future of sustainability reporting may look like for ACRHD. The Canadian Sustainability Standards Board released the first proposed Canadian standards for public comments due by June 10, 2024.**

Summary of the recently released standards

The standards build on the four-pillar structure of the **Task Force on Climate-related Financial Disclosures**.

The **general requirements standard (IFRS S1)** defines the scope and objectives of reporting and provides core content, presentation and practical requirements.

It requires disclosure of material information on all sustainability-related risks and opportunities – not just on climate.

The **climate standard (IFRS S2)** replicates the core content requirements and supplements them with climate-specific reporting requirements.



Visit KPMG’s Sustainability Reporting website for more information, including a comprehensive summary of the new requirements and KPMG’s insights and illustrative examples for the new standards.

[Click here](#) to access KPMG’s portal



Appendix 6: ESG: Thought leadership and insights (continued)

Thought leadership – Environmental, social and governance (“ESG”) (continued)

Note: Click on images to visit document link.

How the 'S' in ESG is changing the way we do business

The social component of ESG calls for more heart, empathy and interconnectedness

The "S" in ESG is becoming critical as people and organizations become more conscious about how the social aspect of business will impact their future.

This article touches on the social movements driving business change.

Climate change, human rights and institutional investors

The adverse impacts to people from a changing climate will create risks for institutional investors throughout the value chain

As the severity of climate impacts increase, so do the socio-economic disruptions due to the risk and fall of climate impacted sectors and projects.

This article breaks down the impact on institutional investors.

The numbers that are changing the world

Revealing the growing appetite for responsible investing



This article outlines how ESG is impacting valuation and performance of the underlying companies institutional investors have a stake in.

Market statistics highlight the issues surrounding responsible investment.



Appendix 6: Thought leadership and insights (continued)

Thought leadership – Environmental, social and governance (“ESG”) (continued)

Note: Click on images to visit document link.



Intentional adoption of smart, digital, experience-centric solutions have become indispensable in overcoming today’s challenges and aligning city services to the future needs and well-being of the public. We invite you to explore this report on KPMG’s global research and insights on The future of local government.



The Green City outlines the need of the cities and the buildings in them to reflect climate consciousness.

The link provides guidance on what that looks like and the first steps to meeting those objectives.

KPMG’s Climate Change Financial Reporting Resource Centre

KPMG’s climate change resource centre provides FAQs to help you identify the potential financial statement impacts for your business.

[Click here](#) to access KPMG’s portal.

A closer look at the GHG Protocol

Chartered Professional Accountants of Canada (CPA Canada) and the Institute for Sustainable Finance (ISF) produced a 23-page report ([click here](#)) on the GHG Protocol. The report looks to inform potential preparers and users of emissions disclosure; policy makers; standard setters; regulators; and others, and to spur important additional research into key aspects of emissions disclosure and standards that require closer attention.



<https://kpmg.com/ca/en/home.html>

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