



# Alberni-Clayoquot Regional Hospital District

## BOARD OF DIRECTORS MEETING WEDNESDAY, MAY 13, 2020

Due to COVID-19, the meeting will be held via Zoom Video Conferencing and will be livestreamed on the ACRD website at <https://www.acrd.bc.ca/>

### AGENDA

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	PAGE #
<b>1. <u>CALL TO ORDER</u></b> <i>(immediately following the ACRD Board Meeting)</i>	
<b>Recognition of Territories.</b>	
<b>2. <u>APPROVAL OF AGENDA</u></b> <i>(motion to approve, including late items requires 2/3 majority vote)</i>	
<b>3. <u>ADOPTION OF MINUTES</u></b>	
a. <b>Board of Directors Meeting – April 8, 2020</b>	<b>3-5</b>
<i>THAT the minutes of the Alberni-Clayoquot Regional Hospital District Board of Directors held on April 8, 2020 be adopted.</i>	
<b>4. <u>PETITIONS, DELEGATIONS &amp; PRESENTATIONS (10-minute maximum)</u></b>	
<b>5. <u>CORRESPONDENCE FOR ACTION</u></b>	
<b>6. <u>CORRESPONDENCE FOR INFORMATION</u></b>	
<b>7. <u>REQUEST FOR DECISIONS &amp; BYLAWS</u></b>	
a. <b>Request for Decision</b>	<b>6-30</b>
Alberni-Clayoquot Regional Hospital District Financial Statements	
<i>THAT the Alberni-Clayoquot Regional Hospital District Board of Directors approve the 2019 Audited Financial Statements for the Alberni-Clayoquot Regional Hospital District as presented.</i>	
<b>8. <u>REPORTS</u></b>	
a. Bamfield Health Centre – B. Beckett	
b. Alberni-Clayoquot Continuing Care Society – J. McNabb	

- c. West Coast Native Health Care Society – P. Cote
- d. Tofino General Hospital – West Coast Directors
- e. Alberni-Clayoquot Health Network – P. Cote/J. Osborne
- f. West Coast General Hospital – Alberni Valley Directors
- g. Other Reports

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

9. **UNFINISHED BUSINESS**

10. **LATE BUSINESS**

11. **QUESTION PERIOD**

Questions/Comments from the Public can be emailed to the ACRD at [responses@acrd.bc.ca](mailto:responses@acrd.bc.ca) and will be read out by the Corporate Officer.

12. **ADJOURN**



# Alberni-Clayoquot Regional Hospital District

## MINUTES OF THE BOARD OF DIRECTORS MEETING HELD ON WEDNESDAY, APRIL 8, 2020

Due to the COVID-19 pandemic, meeting held via Zoom Video/Phone Conferencing

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### **DIRECTORS**

Josie Osborne, Chairperson, Mayor, District of Tofino

### **PRESENT:**

John Jack, Vice-Chairperson, Councillor, Huu-ay-aht First Nation

Bob Beckett, Director, Electoral Area "A" (Bamfield)

Tanya Shannon, Director, Electoral Area "A" (Beaufort)

Kel Roberts, Director, Electoral Area "C" (Long Beach)

Penny Cote, Director, Electoral Area "D" (Sproat Lake)

John McNabb, Director, Electoral Area "E" (Beaver Creek)

Dianne Bodnar, Director, Electoral Area "F" (Cherry Creek)

Sharie Minions, Mayor, City of Port Alberni

Debbie Haggard, Councillor, City of Port Alberni

Rachelle Cole, Councillor, District of Ucluelet

Alan McCarthy, Member of Legislature, Yuułu?it̓ath̓ Government

Wilfred Cootes, Councillor, Uchucklesaht Tribe Government

Kirsten Johnsen, Councillor, Toquaht Nation

### **STAFF PRESENT:**

Douglas Holmes, Chief Administrative Officer

Teri Fong, Chief Financial Officer

Mike Irg, General Manager of Planning and Development

Rob Williams, General Manager of Environmental Services

Wendy Thomson, General Manager of Administrative Services

Janice Hill, Executive Assistant

Note: Due to the COVID-19 pandemic and to respect social distancing efforts, all Regional District Directors and Staff participated in the Board of Directors Meeting via zoom video or phone conferencing.

### **1. CALL TO ORDER**

The Chairperson called the meeting to order at 3:10 pm.

The Chairperson recognized the meeting this afternoon is being held all across the Nuu-chah-nulth territories.

### **2. APPROVAL OF AGENDA**

*MOVED: Director Shannon*

*SECONDED: Director Jack*

*THAT the agenda be approved as circulated.*

**CARRIED**

**3. ADOPTION OF MINUTES**

**a. Board of Directors Meeting – March 11, 2020**

*MOVED: Director McNabb*

*SECONDED: Director Cote*

*THAT the minutes of the Alberni-Clayoquot Regional Hospital District meeting held on March 11, 2020 be adopted.*

**CARRIED**

**b. Special Board of Directors Meeting – March 31, 2020**

*MOVED: Director McNabb*

*SECONDED: Director Jack*

*THAT the minutes of the Special Alberni-Clayoquot Regional Hospital District meeting held on March 31, 2020 be adopted.*

**CARRIED**

**4. PETITIONS, DELEGATIONS & PRESENTATIONS**

**5. CORRESPONDENCE FOR ACTION**

**6. CORRESPONDENCE FOR INFORMATION**

**7. REQUEST FOR DECISIONS & BYLAWS**

**8. REPORTS**

**a. Bamfield Health Centre – B. Beckett – No Report**

**b. Alberni-Clayoquot Continuing Care Society – J. McNabb**

Director McNabb sadly reported the passing of one of their Directors. He noted it was not COVID related.

**c. West Coast Native Health Care Society – P. Cote**

Director Cote reported that Rainbow Gardens is in lock down.

**d. Tofino General Hospital – West Coast Directors**

The Chairperson reported things are going well at the Hospital with respect to COVID-19. She commended the community for support they have shown health care staff and for staying away from the hospital, unless absolutely necessary. A trailer has been set up to screen patients before they enter the Hospital.

Director Cole reported on discussions regarding personal protective equipment needs on the west coast. She reported that ambulance calls to Tofino have gone down substantially.

**e. Alberni-Clayoquot Health Network – P. Cote/J. Osborne**

Director Cote reported the Health Network Coordinator, Marcie DeWitt is now part of the ACRD Emergency Operations Centre (EOC) that meets with the EOC Policy group. She is a great asset to this team, connecting communities and services. The Network will meet next Wednesday via zoom video conferencing.

**f. West Coast General Hospital – Alberni Valley Directors**

Director Minions reported the Hospital is seeing similar trends as Tofino General Hospital. There has been a reduction in use of the emergency room.

**g. Other Reports**

*MOVED: Director Cote*

*SECONDED: Director McNabb*

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

**CARRIED**

**9. UNFINISHED BUSINESS**

**10. LATE BUSINESS**

**11. QUESTION PERIOD**

**12. ADJOURN**

*MOVED: Director Jack*

*SECONDED: Director Cote*

*THAT this meeting be adjourned at 3:21 pm.*

**CARRIED**

Certified Correct:

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Josie Osborne,  
Chairperson

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Wendy Thomson,  
General Manager of Administrative Services



## REQUEST FOR DECISION

**To:** Regional Hospital District Board of Directors  
**From:** Teri Fong, CPA, CGA, Chief Financial Officer  
**Meeting Date:** May 13, 2020  
**Subject:** Alberni-Clayoquot Regional Hospital District Financial Statements

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**Recommendation:**

**That the Alberni-Clayoquot Regional Hospital District Board of Directors approve the 2019 Audited Financial Statements for the Alberni-Clayoquot Regional Hospital District as presented.**

**Summary:**

KPMG has provided the attached audit findings letter for the Alberni-Clayoquot Regional Hospital District for the year ended December 31, 2019. 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 Public Sector Accounting Standards.

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

Approved by:   
Douglas Holmes, BBA, CPA, CA, Chief Administrative Officer



KPMG LLP  
St. Andrew's Square II  
800-730 View Street  
Victoria BC V8W 3Y7  
Canada  
Telephone 250-480-3500  
Fax 250-480-3539

**AUDIT FINDINGS LETTER**

Board of Directors  
Alberni-Clayoquot Regional Hospital District Board  
3008 5th Ave  
Port Alberni, BC V9Y 2E3

April 15, 2020

To the Board of Directors of Alberni-Clayoquot Regional Hospital District ("ACRHD"):

We are pleased to provide the following information for your review and consideration in order to assist you in carrying out your responsibilities with respect to the review of the audited financial statements of ACRHD for the year ended December 31, 2019.

This report is intended to communicate to you the results of our examination. We would be pleased to receive any comments or suggestions for improvements, which you may have.

We would like to thank the staff and management for their cooperation and assistance during the course of our audit fieldwork. We appreciate the opportunity to serve you and look forward to a continuing relationship.

This letter is for the use of the Board of Alberni-Clayoquot Regional Hospital District for the purposes of carrying out and discharging its responsibilities and should not be used for any other purpose. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this document has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Yours very truly

Lenora Lee, CPA, CA  
*Engagement Partner*  
250.480.3588



The purpose of this Audit Findings Letter is to assist you, as a member of the Board of Directors, in your review of the results of our audit of the financial statements as at and for the year ended December 31, 2019.

This Audit Findings Report builds on the Audit Plan we presented to the Board of Directors on January 9, 2020.

#### **AUDIT STATUS AND OPINION**

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

- completing our communications with the Board of Directors
- obtaining a signed representation letter
- obtaining evidence of the Board's approval of the financial statements
- We will update the Board, and not solely the Chair (as required by professional standards), on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

Our audit report will be dated upon completion of any remaining procedures.

#### **SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS**

##### Materiality

We determine materiality in order to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. For the current period we determined a planned materiality of \$22,000 (2018 - \$22,000). There were no changes to our planned materiality.

##### Significant Accounting and Reporting Matters

There were no significant reporting matters to bring to your attention.

#### **ADJUSTMENTS AND DIFFERENCES**

Adjustments and differences identified during the audit have been categorized as "Corrected adjustments" or "Uncorrected differences". These include disclosure adjustments and differences.

We identified minor disclosure adjustments that were communicated to management and subsequently corrected in the financial statements.

We did not identify differences that remain uncorrected.

The management representation letter in Appendix 2 includes all adjustments identified as a result of the audit.



**SIGNIFICANT QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES**

We highlight the following items as it relates to the qualitative aspects of accounting practices of ACRHD:

<b>Significant accounting policies</b>	<ul style="list-style-type: none"><li>• There were no changes to critical or significant accounting policies.</li></ul>
<b>Significant accounting estimates</b>	<ul style="list-style-type: none"><li>• There are no significant estimates in the financial statements of ACRHD.</li></ul>
<b>Significant disclosures</b>	<ul style="list-style-type: none"><li>• There are no significant disclosures in the financial statements of ACRHD. There were no issues noted with the overall neutrality, consistency, and clarity of the disclosures in the financial statements.</li></ul>

The presentation and disclosure of the financial statements are, in all material respects, in accordance with Canadian public sector accounting standards. Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter.

**AREAS OF AUDIT FOCUS AND RESULTS**

Revenues

We substantively tested tax requisitions from members by agreeing the amount of the requisition to the approved budget bylaw and cash receipt. No errors or issues were noted.

Grants to Island Health

During 2019, ACRHD made payments to Island Health totaling \$935,139 (2018 - \$471,024), which is less than budget (\$1,050,735). We substantively tested a sample of these grants by agreeing grant payments to supporting documentation, including appropriate authorization, and cash payment. No errors or issues were noted.

Debentures

We confirmed balances of outstanding debt with Municipal Finance Authority and agreed the balances outstanding and interest paid to the amounts recorded by management. Additionally, we agreed the terms of debt to the disclosures recorded in the financial statements. No errors or issues were noted.

**AUDIT RISKS**

We are required under professional standards to assess the presumed fraud risk from management override of controls. We did not identify any specific additional risks of management override relating to this audit.

Our audit methodology incorporates the required procedures in professional standards to address this risk. No significant issues were noted in our testing.



### **CONTROL DEFICIENCIES**

As your auditors, we are required to obtain an understanding of internal control over financial reporting (“ICFR”) relevant to the preparation and fair presentation 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 consolidated financial statements, but not for the purpose of expressing an opinion on internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

Our understanding of ICFR was for the limited purpose described in the preceding paragraph and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies and other control deficiencies have been identified. 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.

We did not identify any control deficiencies that we consider to be significant deficiencies in ICFR.

### **INDEPENDENCE**

We confirm that we are independent with respect to ACRHD within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from January 1, 2019 up to the date of this letter.

### **APPENDICES**

Appendix 1: Draft auditors’ report

Appendix 2: Draft management representation letter

## **INDEPENDENT AUDITORS' 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, 2019
- the statement of operations for the year then ended
- the statement of changes in net financial assets and accumulated surplus 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 Alberni-Clayoquot Regional Hospital District as at December 31, 2019, and its results of operations, its changes in net financial assets and accumulated surplus 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 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.

### ***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 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 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 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

May 13, 2020  
Victoria, British Columbia

**APPENDIX 2: DRAFT MANAGEMENT REPRESENTATION LETTER**

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

May 13, 2020

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, 2019.

**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 December 7, 2017, 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.

**Non-SEC registrants or non-reporting issuers:**

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). 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,

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Douglas Holmes, Chief Administrative Officer

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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.

**ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT**  
**Financial Statements**  
**Year Ended December 31, 2019**

**ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT**

**Index to Financial Statements**

**Year Ended December 31, 2019**

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### *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.

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**DRAFT**

Chartered Professional Accountants

May 13, 2020

Victoria, Canada

**ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT**

**Statement of Financial Position**

**As at December 31, 2019**

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash	\$ 3,253,888	\$ 3,157,671
Accounts receivable	8,007	7,640
Municipal Finance Authority debt reserve fund deposit (Note 3)	281,850	301,215
	<b>3,543,745</b>	<b>3,466,526</b>
<b>LIABILITIES</b>		
Accounts payable	6,782	68,729
Accrued interest	20,386	25,130
Debt (Note 5) (Schedule 1)	1,679,836	2,768,832
	<b>1,707,004</b>	<b>2,862,691</b>
Commitments (Note 8)		
Subsequent event (Note 9)		
<b>NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS</b>	<b>\$ 1,836,741</b>	<b>\$ 603,835</b>



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, 2019**

	Budget 2019	2019	2018
<b>REVENUE</b>			
Taxation (Schedule 2)	\$ 1,800,000	<b>1,800,000</b>	1,998,981
Grants in lieu of taxes	8,000	<b>7,552</b>	13,090
Interest revenue	20,000	<b>78,473</b>	57,184
Actuarial income	-	<b>596,101</b>	552,043
	1,828,000	<b>2,482,126</b>	2,621,298
<b>EXPENSES</b>			
Interest on debt	\$ 304,000	<b>292,081</b>	\$ 303,348
Administrative costs	22,000	<b>22,000</b>	18,000
Grants to Island Health	1,050,735	<b>935,139</b>	471,024
	1,376,735	<b>1,249,220</b>	792,372
<b>ANNUAL SURPLUS</b>	<b>\$ 451,265</b>	<b>1,232,906</b>	1,828,926

The accompanying notes are an integral part of these financial statements

**ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT**

**Statement of Changes in Net Financial Assets (Debt)**

**and Accumulated Surplus (Deficit)**

**Year Ended December 31, 2019**

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	Budget 2019	2019	2018
<b>NET FINANCIAL ASSETS (DEBT) AND ACCUMULATED SURPLUS (DEFICIT) - BEGINNING OF YEAR</b>	\$ 603,835	\$ <b>603,835</b>	\$ (1,225,091)
Annual surplus	451,265	<b>1,232,906</b>	1,828,926
<b>NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 1,055,100</b>	<b>\$ 1,836,741</b>	<b>\$ 603,835</b>

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The accompanying notes are an integral part of these financial statements

**ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT****Statement of Cash Flow****Year Ended December 31, 2019**

	<b>2019</b>	2018
<b>OPERATING ACTIVITIES</b>		
Annual surplus	<b>\$ 1,232,906</b>	\$ 1,828,926
Non-cash items included in surplus:		
Actuarial Income	<b>(596,101)</b>	(552,043)
Changes in non-cash working capital:		
Accounts receivable	<b>(367)</b>	(4,389)
Municipal Finance Authority debt reserve fund deposit	<b>19,365</b>	(6,414)
Accounts payable	<b>(61,947)</b>	68,729
Accrued interest	<b>(4,744)</b>	(17)
	<b>(47,693)</b>	57,909
Cash flow from operating activities	<b>589,112</b>	1,334,792
<b>FINANCING ACTIVITIES</b>		
Repayment of debt	<b>(492,895)</b>	(492,777)
<b>INCREASE IN CASH FLOW</b>	<b>96,217</b>	842,015
Cash - beginning of year	<b>3,157,671</b>	2,315,656
<b>CASH - END OF YEAR</b>	<b>\$ 3,253,888</b>	\$ 3,157,671

The accompanying notes are an integral part of these financial statements

# ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT

## Notes to Financial Statements

Year Ended December 31, 2019

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### 1. NATURE OF THE ORGANIZATION

The Alberni-Clayoquot Regional Hospital District (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.

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### 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 2019 budget as adopted by the District's Board on March 27, 2019.

#### Debt

Debt is obtained through the Municipal Finance Authority of British Columbia (MFA) whose policy is to issue debt denominated in Canadian dollars.

#### 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.

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### 3. DEBT RESERVE FUND

The Municipal Finance Authority of British Columbia (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 Debt Reserve Fund deposits at December 31, 2019 is \$281,850 (2018 - \$301,215).

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### 4. 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, \$22,000 (2018 - \$18,000) of administrative support services from the Alberni-Clayoquot Regional District.

# ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT

## Notes to Financial Statements

Year Ended December 31, 2019

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### 5. DEBT

All borrowings for the Hospital District are with the Municipal Finance Authority of British Columbia (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 year and thereafter are as follows:

2020	\$947,200
2021	506,827
2022	148,248
2023	66,683
2024	5,370
Thereafter	5,507
	<hr/>
	\$1,679,835

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### 6. FINANCIAL INSTRUMENTS

For cash, accounts receivable, accounts payable and accrued interest, the carrying value of these financial statements is cost which approximates their fair market values due to their short-term maturity or capacity for prompt liquidation. The District is not exposed to significant credit risk on accounts receivable. The District does not have a significant exposure to any individual customer or counterpart. Unless otherwise noted, it is management's opinion the District is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

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### 7. BUDGET RECONCILIATION

Budget figures represent the budget bylaw adopted by the Board on March 27, 2019.

#### Adjustments to the 2019 budgeted annual surplus

Consolidated financial plan balanced cash budget as approved March 27, 2019.	\$ -
Add principal debt payments	493,000
Less surplus from prior years	(41,735)
	<hr/>
Surplus per Statement of Operations	\$ 451,265

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### 8. COMMITMENTS

As at December 31, 2019, the Hospital District has outstanding grant commitments to Island Health in the amount of \$285,265 (2018 - \$786,000).

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### 9. SUBSEQUENT EVENT

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the District are not known at this time.

**ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT**

**Schedule of Debenture Debt**

*(Schedule 1)*

**Year Ended December 31, 2019**

By-law	MFA Issue	Maturity date	Term	Rate	Amount Borrowed	Total Instalments to date	Actuarial addition	2019 Balance	2018 Balance
82	93	06 Apr 2025	20	5.10%	\$ 14,342	\$ 9,259	\$-	\$ 5,083	\$ 5,858
75	93	06 Apr 2025	20	5.10%	73,282	47,310	-	25,972	29,932
75	79	03 Jun 2023	20	2.25%	335,361	162,275	84,580	88,506	110,182
75	78	03 Dec 2022	20	2.25%	438,966	225,683	118,672	94,611	123,697
82	77	01 Jun 2022	20	1.75%	189,866	97,615	55,080	37,172	50,060
75	77	01 Jun 2022	20	1.75%	1,421,473	730,813	412,363	278,297	374,786
82	75	01 Dec 2021	20	1.75%	1,395,420	759,620	432,464	203,336	300,446
75	75	01 Dec 2021	20	1.75%	3,120,611	1,698,756	967,128	454,726	671,895
82	73	01 Dec 2020	20	1.67%	66,158	39,938	21,498	4,722	9,473
75	73	01 Dec 2020	20	1.67%	4,071,247	2,457,712	1,322,965	290,570	582,963
75	72	01 Jun 2020	20	1.67%	3,048,354	1,840,216	1,054,032	154,106	377,784
75	71	01 Dec 2019	20	2.10%	1,243,870	788,512	455,358	-	89,022
Unamortized debenture discount								42,734	42,734
					15,418,950	8,857,709	4,924,140	\$ 1,679,835	\$ 2,768,832

The unamortized debenture discount will be applied in 2023 when the debenture is paid in full.

**ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DISTRICT**

**Schedule of Member Municipalities Tax Requisitions**

*(Schedule 2)*

**Year Ended December 31, 2019**

	Budget 2019	2019	2018
<b>MUNICIPALITIES</b>			
City of Port Alberni	\$ 692,282	<b>692,282</b>	766,805
District of Tofino	313,209	<b>313,209</b>	349,169
District of Ucluelet	160,637	<b>160,637</b>	174,527
	<u>1,166,128</u>	<b>1,166,128</b>	1,290,501
<b>FIRST NATIONS</b>			
Huu-ay-aht First Nations	281	<b>281</b>	359
Yuuʷuʷiʷaʷaʷ Government	217	<b>217</b>	1,683
Uchucklesaht Tribe Government	37	<b>37</b>	-
Toquaht Nation	-	<b>-</b>	-
	<u>535</u>	<b>535</b>	2,042
<b>ELECTORAL AREAS</b>			
"A" Bamfield	51,857	<b>51,857</b>	60,379
"B" Beaufort	33,455	<b>33,455</b>	35,508
"C" Long Beach	66,504	<b>66,504</b>	74,062
"D" Sproat Lake	265,963	<b>265,963</b>	294,785
"E" Beaver Creek	103,597	<b>103,597</b>	114,305
"F" Cherry Creek	111,961	<b>111,961</b>	127,399
	<u>633,337</u>	<b>633,337</b>	706,438
	<u>\$ 1,800,000</u>	<b>1,800,000</b>	1,998,981