



SEA TO SKY
REGIONAL HOSPITAL DISTRICT

Financial Statements
For the year ended December 31, 2017

**Sea to Sky Regional Hospital District
Financial Statements
For the year ended December 31, 2017**

Contents


Management Responsibility Report	2
Independent Auditor's Report	3
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Cash Flows	6
Statement of Changes in Net Debt	7
Notes to the Financial Statements	8

Statement of Management Responsibility

The 2017 financial statements have been prepared by Regional District staff and are the responsibility of management. Management's responsibilities also include maintaining a system of internal controls for financial statement reliability purposes and for the protection of the Regional Hospital District's assets. The financial statements have been prepared in accordance with generally accepted accounting principles for local governments, as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The Board of the Regional Hospital District has approved these financial statements at their Board meeting of April 18, 2018.

BDO Canada LLP, the Regional Hospital District's independent external auditors, have examined the Regional Hospital District's financial statements in accordance with generally accepted auditing standards. In their opinion, as expressed in their audit report, the Regional Hospital District's financial statements present fairly in all material respects the financial position of the Regional Hospital District as at December 31, 2017, and the results of operations and cash flows for the year then ended.



Suzanne Lafrance
Director of Finance
[April 18, 2018]

Independent Auditor's Report

To the Chairperson and Directors of the Sea to Sky Regional Hospital District

We have audited the accompanying financial statements of the Sea to Sky Regional Hospital District, which comprise the Statement of Financial Position as at December 31, 2017, and the Statements of Operations, Cash Flows and Changes in Net Debt for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

BDO Canada LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Whistler, British Columbia
April 18, 2018

**Sea to Sky Regional Hospital District
Statement of Financial Position**

As at December 31	2017	2016
Financial Assets		
Cash and Cash Equivalents (Note 3)	\$ 734,935	\$ 883,760
Accounts Receivable	446	-
Sinking Funds Held by MFA	95,650	93,679
	\$ 831,031	\$ 977,439
Liabilities		
Accounts Payable	\$ 6,458	\$ 6,705
MFA Long-term Debt (Note 4)	5,114,758	5,442,064
	5,121,216	5,448,769
Net Debt and Accumulated Deficiency (Note 5)	\$ (4,290,185)	\$ (4,471,330)

Approved by:



Treasurer



Chair

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

**Sea to Sky Regional Hospital District
Statement of Operations**

For the year ended December 31	Budget 2017 (Note 6)	2017	2016
Revenue			
Requisition	914,028	914,028	878,873
Interest/Investment Income	4,500	6,715	8,308
Debenture Refund and Actuarial Earnings	-	80,552	68,095
Payments In Lieu of Taxes	450	650	447
	918,978	1,001,945	955,723
Expenses			
Administration Charges	4,000	5,162	3,786
Bank Charges	300	234	152
Miscellaneous Operating Cost	7,216	8,382	6,769
Section 20(3) Expenditures - Capital Equipment	763,000	465,485	-
Interest	341,537	341,537	341,537
	1,116,053	820,800	352,244
Annual Surplus (Deficit)	(197,075)	181,145	603,479
Accumulated Surplus (Deficiency), beginning of year	(4,471,330)	(4,471,330)	(5,074,809)
Accumulated Surplus (Deficiency), end of year	\$ (4,668,405)	\$ (4,290,185)	\$ (4,471,330)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

**Sea to Sky Regional Hospital District
Statement of Cash Flows**

	2017	2016
Cash provided by (used in)		
Operating Transactions		
Annual Surplus	\$ 181,145	\$ 603,479
Non Cash Items		
Debenture Refund and Actuarial Earnings	(80,552)	(68,095)
Changes in Non-cash Operating Balances		
Accounts Receivable	(446)	-
Accounts Payable	(247)	(12,096)
	99,900	523,288
Financing Transactions		
Principal Payments	(248,725)	(248,726)
	(248,725)	(248,726)
Increase (Decrease) in cash and cash equivalents for the year	(148,825)	274,562
Cash and cash equivalents, beginning of year	883,760	609,198
Cash and cash equivalents, end of year	\$ 734,935	\$ 883,760

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

**Sea to Sky Regional Hospital District
Statement of Changes in Net Debt**

As at December 31	Budget 2017 (Note 6)	2017	2016
Annual Surplus (Deficit)	\$ (197,075)	\$ 181,145	\$ 603,479
Net Debt, beginning of the year	(4,471,330)	(4,471,330)	(5,074,809)
Net Debt, end of year	\$ (4,668,405)	\$ (4,290,185)	\$ (4,471,330)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Sea to Sky Regional Hospital District

Notes to the Financial Statements

For the year ended December 31, 2017

1. Incorporation

The Sea to Sky Regional Hospital District was established by an Order of the Lieutenant Governor in Council on November 19, 1998 and effectively commenced operations on January 1, 1999. The Regional Hospital District raises funds through requisition of taxes from property owners within its geographical boundaries. These revenues are used to fund capital equipment purchases for hospitals in the area through local community health authorities. The Regional Hospital District is not subject to income taxes.

2. Significant Accounting Policies

The Regional Hospital District is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards (PSAS) of the Chartered Professional Accountants Canada. Significant principles are as follows:

(i) **Cash and Cash Equivalents**

Cash consists of cash on hand, cash in transit, and cash on deposit. Cash equivalents are short-term investments made to obtain a return on a temporary basis and are carried at the lower of cost or market value.

(ii) **Revenue Recognition**

Sources of revenue are recorded on the accrual basis and recognized in the period in which they are earned.

(iii) **Government Transfers**

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(iv) **Requisition Revenue**

Each Municipality and Electoral Area within the Regional Hospital District is requisitioned for their portion of the Sea to Sky Regional Hospital District service. These funds are then levied by the Municipalities and the Province (for Electoral Areas) to individual taxpayers and turned over to the Regional Hospital District by August 1 of each year and are recorded as revenue in the calendar year to which they are related. Levies imposed by other taxing authorities are not included as taxes for Regional Hospital District purposes.

(v) **Financial Instruments**

The Regional Hospital District's financial instruments consist of cash and cash equivalents, accounts receivable, sinking funds held by MFA, long-term debt and accounts payable. Financial instruments are carried at cost. Unless otherwise indicated, it is management's opinion that the Regional Hospital District is not exposed to any significant interest, credit or currency risks arising from these financial instruments.

3. Investments

At December 31	2017	2016
MFA-CIBC Mellon	\$730,445	\$878,298

Included in cash and cash equivalents are MFA Funds held in a CIBC Mellon Money Market account. These funds are tax requisition funds invested for regular Hospital District operations and are carried at market value which approximates cost.

Average yield on the MFA money market investment in 2017 was 0.83% (2016 = 1.12%)

Sea to Sky Regional Hospital District
Notes to the Financial Statements
For the year ended December 31, 2017

4. MFA Long-term Debt

(a) Sinking fund debentures issued through the Municipal Finance Authority:

Issue	Interest Rate	Amount
105 Issued in 2009, maturing in 2029	4.90%	\$3,196,813
106 Issued in 2009, maturing in 2029	4.13%	1,917,945
		\$5,114,758

(b) Future principal payments on existing debt:

2018	\$248,726
2019	248,726
2020	248,726
2021	248,726
2022	248,726
Thereafter	1,741,079
	<u>2,984,709</u>
Actuarial additions	2,130,049
	\$5,114,758

5. Accumulated Surplus (Deficiency)

	2017	2016
Components of Accumulated Surplus (Deficiency):		
Unrestricted	\$48,095	\$62,148
Appropriated for Section 20(3) Reserve	680,828	814,907
MFA Debt Reserve Fund	95,650	93,679
Issued Debt to be Recovered through Future Taxation	(5,114,758)	(5,442,064)
Accumulated Surplus (Deficiency), end of year	\$ (4,290,185)	\$ (4,471,330)

6. Budget

The 2017 budget was approved by the Board through the adoption of Bylaw No. 36 - 2017 on March 15, 2017. The budget includes items not shown on the statement of operations as identified below:

Annual budgeted deficit as reported in these financial statements	\$ (197,075)
Adjustments for items not reflected in financial statements	
Budgeted Operating Surplus Brought Forward	6,599
MFA Debt Principal Payments	(248,725)
Transfer from Appropriated Capital Surplus	439,201
Budgeted Annual Surplus	\$0

7. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.