

**Squamish-Lillooet Regional Hospital District  
Financial Statements  
For the year ended December 31, 2014**

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## **Statement of Management Responsibility**

The 2014 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 Canadian Institute of Chartered Accountants.

The Board of the Regional Hospital District has approved these financial statements at their Board meeting of May 21, 2015.

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, 2014, and the results of operations and cash flows for the year then ended.

Suzanne Lafrance  
Director of Finance  
[May 21, 2015]



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## Independent Auditor's Report

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### To the Chairperson and Directors of the Squamish-Lillooet Regional Hospital District

We have audited the accompanying financial statements of the Squamish-Lillooet Regional Hospital District, which comprise the Statement of Financial Position as at December 31, 2014, 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 Squamish-Lillooet Regional Hospital District as at December 31, 2014, and the results of its operations, changes in net debt, and cash flows for the year ended then ended in accordance with Canadian public sector accounting standards.

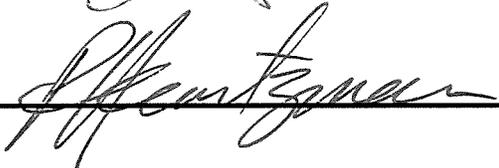
CHARTERED ACCOUNTANTS  
Whistler, British Columbia  
May 21, 2015

**Squamish-Lillooet Regional Hospital District  
Statement of Financial Position**

December 31	2014	2013
<b>Financial Assets</b>		
Cash and cash equivalents (Note 3)	\$ 52,697	\$ 4,311
Accounts receivable	84	163
	52,781	4,473
<b>Liabilities</b>		
Accounts payable	\$ 10,827	\$ 7,018
Temporary borrowing	-	119,080
MFA Short-term debt	-	142,890
	10,827	268,988
<b>Net Debt and Accumulated Surplus (Deficiency) (Note 4)</b>	<b>\$ 41,954</b>	<b>\$ (264,515)</b>

Approved by:

  
 \_\_\_\_\_ Treasurer

  
 \_\_\_\_\_ Chair

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

**Squamish-Lillooet Regional Hospital District  
Statement of Operations**

<b>For the year ended December 31</b>	<b>Budget 2014 (note 5)</b>	<b>2014</b>	<b>2013</b>
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ 86,971
Interest/investment income	-	197	42
Grants in lieu - municipal	100	13	298
Debt refunds and other (Note 6)	280,000	315,172	199,698
	<u>280,100</u>	<u>315,382</u>	<u>287,009</u>
<b>Expenses</b>			
Administration charges	1,000	500	-
Interest charges	87,338	3,742	141,426
Temporary borrowing and other	10,206	4,671	6,020
	<u>98,544</u>	<u>8,913</u>	<u>147,446</u>
<b>Annual surplus (deficit)</b>	<b>181,556</b>	<b>306,469</b>	<b>139,563</b>
<b>Accumulated surplus (deficiency), beginning of year</b>	<b>(264,515)</b>	<b>(264,515)</b>	<b>(404,078)</b>
<b>Accumulated surplus (deficiency), end of year</b>	<b>\$ (82,959)</b>	<b>\$ 41,954</b>	<b>\$ (264,515)</b>

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

**Squamish-Lillooet Regional Hospital District  
Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2014</b>	<b>2013</b>
<b>Cash provided by (used in)</b>		
<b>Operating Transactions</b>		
Annual surplus	\$ 306,469	\$ 139,563
Changes in non-cash operating balances		
Accounts receivable	78	(78)
Accounts payable	3,809	(32,822)
	<u>310,356</u>	<u>106,663</u>
<b>Financing Transactions</b>		
Temporary borrowing	(119,080)	119,080
Re-payment of long-term debt	(142,890)	(225,452)
	<u>(261,970)</u>	<u>(106,371.66)</u>
<b>Increase / (Decrease) in cash and equivalents for the year</b>	<b>48,386</b>	<b>292</b>
<b>Cash and equivalents, beginning of year</b>	<u><b>4,311</b></u>	<u><b>4,019</b></u>
<b>Cash and equivalents, end of year</b>	<u><b>\$ 52,697</b></u>	<u><b>\$ 4,311</b></u>

**Squamish-Lillooet Regional Hospital District  
Statement of Changes in Net Debt**

<b>As at December 31</b>	<b>Budget 2014 (note 5)</b>	<b>2014</b>	<b>2013</b>
Annual surplus (deficit)	\$ 181,556	\$ 306,469	\$ 139,563
Net debt, beginning of the year	(264,515)	(264,515)	(404,078)
<b>Net debt, end of year</b>	<b>\$ (82,959)</b>	<b>\$ 41,954</b>	<b>(264,515)</b>

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

# Squamish-Lillooet Regional Hospital District

## Notes to the Financial Statements

For the year ended December 31, 2014

### 1. Nature of Operations

The Squamish-Lillooet Regional Hospital District is a local government entity and is not subject to income taxes. The Regional Hospital District used to fund certain capital expenditures related to healthcare in the region that it operates - however, effective in 1999, this responsibility has been passed on to another entity. The Regional Hospital District continued to act as a conduit for collecting and remitting debt payments for healthcare capital expenditures previously made. The Regional Hospital District has completed repayment of all existing debt and will cease to operate in 2015.

### 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 (PSAB) of the Chartered Public Accountants Canada. Significant principles are as follows:

(i) **Cash and 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 which approximates cost.

(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**

Requisition revenue is recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual levies for non-optional Regional Hospital District services and general administrative services are recorded as requisition revenue for Regional Hospital District services in the year they are levied. Requisition revenue receivable is recognized net of an allowance for anticipated uncollectable amounts. Levies imposed by other taxing authorities are not included as taxes for Regional Hospital District purposes.

To the extent that adjustments for uncollectible amounts exceed the initial estimates, they are recognized at the time they are awarded.

### 3. Short-term Investments

	<u>2014</u>	<u>2013</u>
MFA-CIBC Mellon	41,550	3,852

Included in cash and equivalents are MFA Funds held in 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.

**Squamish-Lillooet Regional Hospital District**

**Notes to the Financial Statements**

**For the year ended December 31, 2014**

**4. Accumulated Surplus (Deficiency)**

	<b>2014</b>	<b>2013</b>
Components of Accumulated Surplus (Deficiency):		
Unrestricted	41,954	(121,625)
Issued debt to be recovered through future taxation	-	(142,890)
<b>Accumulated Surplus (Deficiency), end of year</b>	<b>41,954</b>	<b>(264,515)</b>

**5. Budget**

The 2014 budget was approved by the Board through the adoption of Bylaw No. 90 - 2013 December 16, 2013. The budget includes items not shown on the statement of operations as identified below:

<b>Budgeted Annual surplus as reported in these financial statements:</b>	\$181,556
<b>Adjustments for items not reflected in financial statements</b>	
Operating surplus/(deficit) brought forward	(\$122,263)
MFA Debt Principal Payments	(59,294)
<b>Budgeted Annual Surplus</b>	<b>-</b>

**6. MFA Debt Refunds**

The Municipal Finance Authority invests all principal payments received and any surplus investment funds are then disbursed to the debt holders at maturity as a Debt surplus refund.