



REPORT

To: Peace River Regional Hospital District Board

Report Number: FN-RHD-013

From: Teri Vetter, Chief Financial Officer

Date: June 10, 2021

Subject: 2020 Peace River Regional Hospital District Financial Statements

RECOMMENDATION #1: [Corporate Unweighted]

That the Peace River Regional Hospital District Board accept the Draft Peace River Regional Hospital District 2020 Financial Statements and Audit Findings effective June 10, 2021.

RECOMMENDATION #2: [Corporate Unweighted]

That the Peace River Regional Hospital District Board approve the Draft 2020 Financial Statements effective June 10, 2021 and authorize the Chair and Chief Financial Officer to sign the 2020 Financial Statements.

BACKGROUND/RATIONALE:

The Canadian Auditing Standards (CAS) require that an organization's financial statements be approved by the Board of Directors before the signing of the auditor's report. The Chartered Professional Accountants of Canada dictate the format and presentation of these Financial Statements. The Chartered Professional Accountants of Canada also require that the audit firms communicate their roles and responsibilities, their method of performing the audit, and their findings to the Board of Directors and management.

The Peace River Regional Hospital District's 2020 Financial Statements were audited by Beswick Hildebrant Lund (BHL) Chartered Professional Accountants. The auditor has advised that they did not encounter any significant items to bring to management's attention during the 2020 audit.

The Financial Statements for the Peace River Regional Hospital District are comprised of the following:

- Statement of Financial Position
- Statement of Operations
- Statement of Cash Flows
- Notes to the Financial Statements
- Schedule of Reserves

It should be noted that the financial statements are prepared using the accounting standards and reporting model prescribed by the Public Sector Accounting Standards (PSAS), which requires the elimination of Transfer to/from Reserves. Additionally, the Hospital District only provides for contributions to Health Care Facilities for capital expenditures; it does not participate in the operating or wage costs of Health Care Facilities.

ALTERNATIVE OPTIONS:

1. That the Peace River Regional Hospital District Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):

In summary, on December 31, 2020, the Hospital District had \$89.09M (2019 - \$71.15M) in Reserves for funding of the new Dawson Creek and District Hospital. The long-term outstanding debt is \$63.34M (2019 - \$66.11M), details of which can be found in Note 5 of the statements.

With the reduction of outstanding debt, a significant increase in Capital Reserves and an increase in interest income due to investing, the PRRHD has improved its financial position to a \$32.5M Accumulated Surplus (2019 - \$19M).

COMMUNICATIONS CONSIDERATION(S):

Once approved, the Audited Financial Statements will be submitted to the Province and published to the PRRD website.

OTHER CONSIDERATION(S):

None.

Attachments:

1. 2020 Draft Peace River Regional Hospital District Financial Statements
2. 2020 PRRHD Audit Findings Letter