



REPORT

To: Peace River Regional Hospital District Board

Report Number: FN-RHD-003

From: Teri Vetter, Chief Financial Officer

Date: August 4, 2020

Subject: 2019 Peace River Regional Hospital District's Financial Statements

RECOMMENDATION #1: [Corporate Unweighted]

That the Peace River Regional Hospital District Board accept the Draft Peace River Regional Hospital District's 2019 Financial Statements effective August 13, 2020.

RECOMMENDATION #2: [Corporate Unweighted]

That the Peace River Regional Hospital District Board approve the Draft 2019 Financial Statements effective August 13, 2020 and authorize the Chair and the Chief Financial Officer to sign the Peace River Regional Hospital District's 2019 Financial Statements.

BACKGROUND/RATIONALE:

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

The Peace River Regional Hospital District's 2019 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 course of the 2019 audit.

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

- Statement of Financial Position
- Statement of Operations and Accumulated Deficit
- 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 Regional Hospital Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):

In summary, at December 31, 2019, the Hospital District had \$71.15M in Reserves for funding of future building projects. The long-term outstanding debt is \$66.11M (2018 - \$68.76M), details of which can be found in Note 5.

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 \$19M Accumulated Surplus (2018 - \$4.86M).

COMMUNICATIONS CONSIDERATION(S):

Once approved, the Audited Financial Statements will be submitted to the Province; the deadline has been extended to August 31, 2020 due to COVID-19. Additionally, they will be published on our website.

OTHER CONSIDERATION(S):

None

Attachments:

1. Draft 2019 PRRHD Financial Statements