



# SUNSHINE COAST REGIONAL HOSPITAL DISTRICT BOARD MEETING



HELD ELECTRONICALLY AND TRANSMITTED VIA THE  
SUNSHINE COAST REGIONAL DISTRICT BOARDROOM,  
1975 FIELD ROAD, SECHELT, B.C.  
Thursday, April 28, 2022

## AGENDA

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**CALL TO ORDER** 9:00 a.m.

### AGENDA

1. Adoption of Agenda

### MINUTES

2. Sunshine Coast Regional Hospital District Board Meeting  
Minutes of March 24, 2022

Annex A  
Pages 1-3

### BUSINESS ARISING FROM MINUTES AND UNFINISHED BUSINESS

### PRESENTATIONS and DELEGATIONS

3. Cory Vanderhorst, Regional Assurance Partner and Kristy Rowbotham, Client Account Services of MNP LLP Auditors  
Regarding: i) 2021 Audit Findings - Report to the Board of Directors  
ii) Independent Auditor's Report  
iii) SCRHD Draft Audited Financial Statements Year Ended December 31, 2021

Annex B  
pp. 4-10  
pp. 11-12  
pp. 13-21

### REPORTS

4. Sunshine Coast Regional Hospital District (SCRHD) Draft Audited Financial Statements – Year-Ended December 31, 2021  
i) 2021 Audit Findings - Report to the Board of Directors  
ii) Independent Auditor's Report  
iii) SCRHD Draft Audited Financial Statements Year Ended December 31, 2021  
*General Manager, Corporate Services / Chief Financial Officer*

Annex C  
pp. 22-23  
See pp. 4-10  
See pp. 11-12  
See pp. 13-21

### COMMUNICATIONS

**MOTIONS**

**BYLAWS**

**NEW BUSINESS**

**IN CAMERA**

**ADJOURNMENT**



## SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

March 24, 2022

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MINUTES OF THE MEETING OF THE BOARD OF THE SUNSHINE COAST REGIONAL HOSPITAL DISTRICT MEETING HELD ELECTRONICALLY AND TRANSMITTED VIA THE BOARDROOM AT 1975 FIELD ROAD, SECHELT, B.C.

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<b>PRESENT:</b>	Chair	District of Sechelt	D. Siegers
	Directors	Electoral Area A	L. Lee
		Electoral Area B	L. Pratt
		Electoral Area D	A. Tize
		Electoral Area E	D. McMahon
		Electoral Area F	M. Hiltz
		District of Sechelt	A. Toth
		Town of Gibsons	D. Croal (Alt.)
<b>ALSO PRESENT:</b>	Chief Administrative Officer		D. McKinley
	G.M., Corporate Services / Chief Financial Officer		T. Perreault
	Corporate Officer		S. Reid
	Administrative Assistant / Recorder		T. Crosby
	Media		0
	Public		0
<b>VCH:</b>	Regional Director, Capital Planning		J. Marais

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**CALL TO ORDER** 1:00 p.m.

**AGENDA** **It was moved and seconded**

06/22 THAT the agenda for the meeting be adopted as presented.

**CARRIED**

Vice-Chair  
Appointment

**It was moved and seconded**

07/22 THAT Director Lee be appointed as the Vice-Chair for the March 24, 2022 Sunshine Coast Regional Hospital District Board Meeting.

**CARRIED**

## MINUTES

Minutes **It was moved and seconded**

08/22 THAT the Sunshine Coast Regional Hospital District Board Meeting Minutes of January 27, 2022 be adopted as presented.

**CARRIED**

## REPORTS

Annual Budget **It was moved and seconded**

09/22 THAT the report titled 2022 Sunshine Coast Regional Hospital District (SCRHD) Final Budget be received for information;

AND THAT the funding to Vancouver Coastal Health (VCH) toward minor capital equipment ( $\leq \$100,000$ ) be reduced to \$120,000 (50%) for 2022 only for prior year allocations to be fully expended;

AND FURTHER THAT the 2022 SCRHD Final Budget be approved as presented.

**CARRIED**

## BYLAWS

Bylaw 91 **It was moved and seconded**

10/22 THAT *Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 91, 2022* be read a first time.

**CARRIED**

Bylaw 91 **It was moved and seconded**

11/22 THAT *Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 91, 2022* be read a second time.

**CARRIED**

Bylaw 91 **It was moved and seconded**

12/22 THAT *Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 91, 2022* be read a third time.

**CARRIED**

Bylaw 91                      **It was moved and seconded**

13/22                      THAT *Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 91, 2022* be adopted.

**CARRIED**

**ADJOURNMENT**                      **It was moved and seconded**

14/22                      THAT the Sunshine Coast Regional Hospital District Board meeting be adjourned.

**CARRIED**

The meeting adjourned at 1:07 p.m.

Certified correct \_\_\_\_\_  
Secretary

Confirmed this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Chair

# Sunshine Coast Regional Hospital District

2021 Audit Findings

Report to the Board of Directors

December 31, 2021

Cory Vanderhorst, CPA, CA  
T: (250) 734-4319  
E: [cory.vanderhorst@mnpc.ca](mailto:cory.vanderhorst@mnpc.ca)

# Overview

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We are pleased to submit to you this Audit Findings Report (the "Report") for discussion of our audit of the financial statements of the Sunshine Coast Regional Hospital District (the "Hospital District") as at December 31, 2021 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of the Board of Directors.

As auditors, we report to the members on the results of our examination of the financial statements of the Hospital District as at and for the year ended December 31, 2021. The purpose of this Report is to assist you, as members of the Board of Directors, in your review of the results of our audit.

This Report is intended solely for the information and use of the Board of Directors and management and should not be distributed to or used by any other parties than these specified parties.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

## Engagement Status

We have completed our audit of the financial statements of the Hospital District which has been carried out in accordance with Canadian generally accepted auditing standards and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedures:

- Discussion of subsequent events with the Board of Directors
- The Board of Directors' review and approval of the financial statements

No significant limitations were placed on the scope or timing of our audit.

## Independent Auditor's Report








We expect to have the above procedures completed and to release our Independent Auditor's Report on April 28, 2022.

Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the members of the Hospital District. A draft copy of our proposed Independent Auditor's Report has been included with this report. The matters disclosed in the Independent Auditor's Report are discussed further in the relevant sections of the Report.




# Audit Reporting Matters

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the financial statements considered separately.

## Significant Audit, Accounting and Reporting Matters

Area		Comments
	<b>Changes from Audit Service Plan</b>	There were no deviations from the Audit Service Plan previously presented to you.
	<b>Final Materiality</b>	Final materiality used for our audit was \$65,000 for December 31, 2021.
	<b>Identified or Suspected Fraud</b>	While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.
	<b>Identified or Suspected Non-Compliance with Laws and Regulations</b>	Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the financial statements.
	<b>Matters Arising in Connection with Related Parties</b>	No significant matters arose during the course of our audit in connection with related parties of the Hospital District.
	<b>Going Concern</b>	No events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern.
	<b>Auditor's Views of Significant Accounting Practices, Accounting Policies and Accounting Estimates</b>	<p>The application of Canadian public sector accounting standards allows and requires the Hospital District to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.</p> <p>As auditors, we are uniquely positioned to provide open and objective feedback regarding your Hospital District's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.</p>



Area		Comments
		The accounting policies used by the Hospital District are appropriate and have been consistently applied.
	<b>Financial Statement Disclosures</b>	The disclosures made in the notes to the financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the financial statements.
	<b>Significant Deficiencies in Internal Control</b>	While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention.
	<b>Matters Arising From Discussions with Management</b>	There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.

## Other Areas

Area		Comments
	<b>Auditor Independence</b>	We confirm to the Board of Directors that we are independent of the Hospital District. Our letter to the Board of Directors discussing our independence is included as part of the additional materials attached to this report.
	<b>Management Representations</b>	We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit. This letter, provided by management, has been included as additional material to this report.
	<b>Summary of Significant Differences</b>	No significant differences were proposed to management with respect to the December 31, 2021 financial statements.

We appreciate having the opportunity to meet with you and respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,

*MNP LLP*

MNP LLP

Chartered Professional Accountants

## Independence Communication

April 28, 2022

Board of Directors  
Sunshine Coast Regional Hospital District  
1975 Field Road  
Sechelt, BC V0N 3A1

Dear Sirs/Mesdames:

We have been engaged to audit the financial statements of Sunshine Coast Regional Hospital District (the "Hospital District") as at December 31, 2021 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the Hospital District and its related entities or persons in financial reporting oversight roles at the Hospital District and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client or a related entity;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client or a related entity;
- (d) Economic dependence on a client; and
- (e) Provision of non-assurance services in addition to the audit engagement.

We are not aware of any relationship between the Hospital District and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from January 1, 2021 to April 28, 2022.

We hereby confirm that MNP is independent with respect to the Hospital District within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia as of April 28, 2022.

This report is intended solely for the use of Board of Directors, management and others within the Hospital District and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you at our meeting on April 28, 2022. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Sincerely,



MNP LLP  
Chartered Professional Accountants

# MADE <sup>IN</sup> CANADA

And proud of it!

At MNP we're proud to be the national accounting, consulting and tax firm that is 100% Made in Canada.

Our history defines who we are and our approach to business. Being a Canadian firm has helped shape our values, our collaborative approach, and the way we work with our clients, engaging them every step of the way.

We have a unique perspective. Our decisions are made here – decisions that drive Canadian business and help us all achieve success — and we know the impact that our choices have on the cities and towns we call home.

Throughout our six decades of work, we've seen our communities are more than just a place we do business in. They're a place where our families live, play, and thrive, and we work to make them the best places they can be.

Being 100% Canadian is something we wear proudly. This country provides us with great opportunities, and we're here to help our clients seize the opportunities so we can create a brighter future for the generations to come.



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# Independent Auditor's Report

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To the Board of Directors of the Sunshine Coast Regional Hospital District:

## Opinion

We have audited the financial statements of the Sunshine Coast Regional Hospital District (the "Hospital District"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital District as at December 31, 2021, and the results of its operations, changes in its net debt 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Hospital 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.

## Other Matter

The financial statements for the year ended December 31, 2020 were audited by BDO Canada LLP who expressed an unmodified opinion on those statements on April 22, 2021.

## 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 Hospital 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 Hospital District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospital District's financial reporting process.

## Auditor's 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 auditor's 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 these 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 Hospital 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 Hospital 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 auditor's 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 auditor's report. However, future events or conditions may cause the Hospital 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.

We 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.

Nanaimo, British Columbia

April 28, 2022

Chartered Professional Accountants

# Sunshine Coast Regional Hospital District

## Statement Of Financial Position

As at December 31, 2021 and 2020

	2021	2020
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 707,181	\$ 1,148,840
Portfolio investments (Note 4)	3,232,651	3,137,746
Accounts receivable	15,354	31,841
Restricted cash: MFA debt reserve fund	223,471	219,733
	<b>4,178,657</b>	<b>4,538,160</b>
<b>Liabilities</b>		
Accounts payable	27,669	27,769
Long-term debt (Note 5)	5,771,162	6,607,769
	<b>5,798,831</b>	<b>6,635,538</b>
<b>Net Debt and Accumulated Deficit (Note 6)</b>	<b>\$ (1,620,174)</b>	<b>\$ (2,097,378)</b>

\_\_\_\_\_  
Tina Perreault

Chief Financial Officer

\_\_\_\_\_  
Darnelda Siegers

Chair

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

# Sunshine Coast Regional Hospital District

## Statement Of Change In Net Debt

For the Years Ended December 31, 2021 and 2020

	Fiscal Plan 2021 (Note 7)	2021	2020
Annual surplus (deficit)	\$ (1,119,670)	\$ 477,204	\$ 1,318,865
Net debt, beginning	(2,097,378)	(2,097,378)	(3,416,243)
<b>Net debt, ending</b>	<b>\$ (3,217,048)</b>	<b>\$ (1,620,174)</b>	<b>\$ (2,097,378)</b>

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.



# Sunshine Coast Regional Hospital District

## Statement Of Operations

For the Years Ended December 31, 2021 and 2020

	Fiscal Plan 2021 (Note 7)	Actual 2021	Actual 2020
<b>Revenue</b>			
Grants in lieu of taxes	\$ 214	\$ 110	\$ 214
Tax requisitions	1,374,966	<b>1,374,966</b>	1,369,463
Investment income	64,000	<b>44,474</b>	70,675
Other revenue (Note 5(b))	334,163	<b>334,163</b>	301,985
	<b>1,773,343</b>	<b>1,753,713</b>	1,742,337
<b>Expenses</b>			
Administration (Note 3)	16,866	<b>34,215</b>	27,914
Debt charges - interest	336,641	<b>336,641</b>	336,641
Government transfers - capital grants	2,539,356	<b>905,551</b>	58,815
Bank charges and interest	150	<b>102</b>	102
	<b>2,893,013</b>	<b>1,276,509</b>	423,472
<b>Annual Surplus (Deficit)</b>	(1,119,670)	<b>477,204</b>	1,318,865
Accumulated Deficit, beginning of year	(2,097,378)	<b>(2,097,378)</b>	(3,416,243)
<b>Accumulated Deficit, end of year</b>	\$ (3,217,048)	\$ <b>(1,620,174)</b>	\$ (2,097,378)

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

# Sunshine Coast Regional Hospital District

## Statement Of Cash Flows

For the Years Ended December 31, 2021 and 2020

	2021	2020
<b>Operating Transactions:</b>		
Annual Surplus	\$ 477,204	\$ 1,318,865
Items not involving cash included in annual surplus:		
Decrease in accounts receivable	16,487	6,828
Decrease in accounts payable	(100)	(3,400)
Total Operating Transactions	493,591	1,322,293
<b>Investing Transactions:</b>		
Increase in portfolio investments	(94,905)	(157,072)
<b>Financing Transactions:</b>		
Repayment of long-term debt	(836,607)	(804,430)
Increase in restricted cash: MFA debt reserve fund	(3,738)	(4,430)
Total Financing Transactions	(840,345)	(808,860)
Net increase (decrease) in cash and equivalents	(441,659)	356,361
Cash and equivalents, beginning of year	1,148,840	792,479
Cash and equivalents, end of year	\$ 707,181	\$ 1,148,840

The accompanying "Notes to the Financial Statements" form an integral part of these financial statements.

# Sunshine Coast Regional Hospital District

## Notes To The Financial Statements

For the Years Ended December 31, 2021 and 2020

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### 1. Operations:

The Sunshine Coast Regional Hospital District is responsible for financing and funding of capital activities relating to hospital facilities on the Sunshine Coast. This includes the Sechelt Hospital and Totem Lodge.

### 2. Significant Accounting Policies

The preparation of the Financial Statements is the responsibility of the management of the Sunshine Coast Regional Hospital District. The accounting policies used within these statements conform to Canadian Public Sector Accounting Standards ("PSAS"). They have been prepared in accordance with current recommendations issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada

#### (a) Revenue recognition:

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

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual tax requisitions are recorded as taxes for Hospital District services in the year they are requisitioned.

#### (b) Expense recognition:

Operating expenses are recognized on an accrual basis in the period in which they are incurred.

#### (c) Cash and cash equivalents:

Cash consists of cash on hand, cash in transit, and cash on deposit. Cash equivalents are short-term investments maturing within one year made to obtain a return on a temporary basis and are carried at cost.

#### (d) Portfolio investments:

Investments consist of marketable securities which are carried at cost but written down when there has been a permanent decline in value.

#### (e) Government Transfers

Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

# Sunshine Coast Regional Hospital District

## Notes To The Financial Statements

For the Years Ended December 31, 2021 and 2020

### 3. Related Party Transactions:

The Sunshine Coast Regional Hospital District is related to the Sunshine Coast Regional District since the same individuals are members of the Board of Directors of both organizations. As legislated by the Hospital District Act, the officers and employees of the Sunshine Coast Regional Hospital District are the corresponding officers and employees of the Sunshine Coast Regional District. Each of the Hospital District and Regional District are separate legal entities as defined by separate Letters Patent and authorized by separate legislation. In 2021, the Hospital District paid, at cost, to the Sunshine Coast Regional District an amount of \$34,215 (2020 - \$27,914) for general accounting and administration services provided to the Hospital District. These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 4. Portfolio Investments:

	2021	2020
Municipal Finance Authority <sup>1</sup>	\$ 738,871	\$ 1,030,815
Sunshine Coast Credit Union <sup>2</sup>	1,910,304	2,106,903
BlueShore Financial <sup>3</sup>	583,476	28
	<b>\$ 3,232,651</b>	<b>\$ 3,137,746</b>

<sup>1</sup> Municipal Finance Authority investments are pooled investment funds by which local governments in B.C. can access high-quality investments while maintaining a high degree of security and liquidity. Interest rates are variable. The average yield in 2021 was 0.15% (2020 - 0.84%).

<sup>2</sup> Investments with Sunshine Coast Credit Union consist of money market securities at interest rates ranging from 0.70% to 1.25% to maturity in 2022, recorded at cost.

<sup>3</sup> Investments with BlueShore Financial consists of Equity Shares, recorded at cost.

# Sunshine Coast Regional Hospital District

## Notes To The Financial Statements

For the Years Ended December 31, 2021 and 2020

### 5. Long Term Debt:

All long term debt is issued through the Municipal Finance Authority of British Columbia. The Authority is the borrowing agent for municipalities and regional districts in the province of British Columbia. All debenture debt issued by the Municipal Finance Authority is sinking fund debt.

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

Issue	Interest Rate	2021	2020
102 Issued in 2007, maturing in 2027	2.25 %	\$ 5,771,162	\$ 6,607,769

#### Future principal repayments on existing long term debt:

2022	\$ 870,071
2023	904,874
2024	941,069
2025	978,712
2026	1,017,861
Thereafter	1,058,575
	<b>\$ 5,771,162</b>

#### (b) Actuarial earnings:

Long term debt is recorded net of any sinking fund balances. Actuarial sinking fund earnings recognized in 2021 totalled 334,163 (2020 - \$301,985).

# Sunshine Coast Regional Hospital District

## Notes To The Financial Statements

For the Years Ended December 31, 2021 and 2020

### 6. Accumulated Deficit:

	2021	2020
<b>Fund Balances:</b>		
Current fund <sup>1</sup>	\$ 693,528	\$ 1,049,278
Reserve fund <sup>2</sup>	2,084,188	2,106,342
Capital fund <sup>3</sup>	(4,621,361)	(5,472,731)
Debt reserve funds	223,471	219,733
<b>Accumulated Deficit, end of year</b>	<b>\$ (1,620,174)</b>	<b>\$ (2,097,378)</b>

<sup>1</sup> Consists of surplus funds requisitioned to fund capital improvement projects and equipment with a value less than \$100,000.

<sup>2</sup> Consists of surplus funds requisitioned to fund capital improvement projects and equipment with a value greater than \$100,000.

<sup>3</sup> Consists of surplus funds borrowed and/or requisitioned to fund major capital projects, less outstanding long-term debt repayable in future years. Surplus funds available to fund projects as at December 31, 2021 total \$1,149,801 (2020 - \$1,135,038).

# Sunshine Coast Regional Hospital District

## Notes To The Financial Statements

For the Years Ended December 31, 2021 and 2020

### 7. Fiscal Plan:

The 2021 Fiscal Plan was approved by the Board through the adoption of the Sunshine Coast Regional Hospital District Annual Budget Bylaw No. 90 on March 25, 2021. The Fiscal Plan includes items not shown on the Statement Of Operations as identified below:

	2021
	Fiscal Plan
Budgeted surplus per bylaw:	\$ -
<b>Fiscal Plan funding sources that are not revenues for accounting purposes:</b>	
Surplus - operating carryover	(1,049,278)
Transfer from Section 20 reserves - carryover	(1,231,000)
<b>Fiscal Plan expenditures that are not expenses for accounting purposes:</b>	
Principal debt payments	836,608
Transfer to reserves	297,000
Transfer to appropriated capital surplus	27,000
<b>Budgeted deficit per statement of operations</b>	<b>\$ (1,119,670)</b>

### 8. Commitments

The Hospital District has committed, through the annual budgeting process, to fund Vancouver Coastal Health for various capital equipment purchases. It does not have any large capital facility projects committed at this time. The equipment items range in scope from minor (less than \$150,000) to major equipment (greater than \$150,000). As at December 31, 2021 the Hospital District has committed \$717,240 for minor equipment, \$1,017,365 for various major equipment items.

### 9. Global Uncertainty and the Covid-19 Pandemic

There is much uncertainty in the world and the pandemic is still a consideration. These global issues have far reaching implications to our local economy and our organization, such as disruption in supply chains, sharp rise in commodity prices, a rise in inflation and interest rates. Monitoring the impact these have to the SCRHD will be a focus of the upcoming year. The Hospital District was not significantly affected by the pandemic in 2021.

## SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT

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**TO:** Sunshine Coast Regional Hospital District Board - April 28, 2022

**AUTHOR:** Tina Perreault, General Manager, Corporate Services / Chief Financial Officer

**SUBJECT:** SUNSHINE COAST REGIONAL HOSPITAL DISTRICT (SCRHD) DRAFT AUDITED FINANCIAL STATEMENTS – YEAR ENDED DECEMBER 31, 2021

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### RECOMMENDATION(S)

**THAT the report titled Sunshine Coast Regional Hospital District (SCRHD) Draft Audited Financial Statements – Year Ended December 31, 2021 and the following documents be received for information:**

- **Audit Findings to the Board of Directors for year ended December 31, 2021;**
- **Draft Independent Auditor's Report;**
- **Draft Audited Financial Statements;**

**AND THAT the SCRHD Draft Audited Financial Statements for Year Ended December 31, 2021 be approved as presented.**

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### BACKGROUND

Canadian Public Sector Accounting (PSAS) and Auditing Standards require Financial Statements to be presented as soon as possible after the external audit has concluded, as draft statements. The financial statements must be in accordance with Generally Accepted Accounting Principles and PSAS, and independently audited by a qualified external auditor.

Once approved, this date will become the date of the Independent Auditor's Report (included in the Final Report to Members of the Board) and Final Audited Financial Statements for Year Ended December 31, 2021.

The purpose of this report is to receive the Auditor report for information, approve the 2021 SCRHD Financial Statements.

### DISCUSSION

#### ***Audit Findings***

The Audit Findings report provides the results of MNP's audit, and further discusses areas of focus identified in the [Audit Planning Report presented at SCRHD on January 27, 2022](#). In the Auditor's opinion, the financial statements present fairly, in all material respects, the financial position of the Sunshine Coast Regional Hospital District as at December 31, 2021, in accordance with Canadian generally accepted audit standards.

Materiality for the SCRHD was set for \$65,000 for 2021 and there were no significant differences found with respect to the financial statements.



## **Financial Statements**

With new Auditors came a fresh review for the SCRHD Statements and therefore two new notes were added for transparency.

### **Note 8- Commitments**

Included as note 8 in the Notes to the Financial Statements is a disclosure of the commitments to Vancouver Coastal Health (VCH) for minor and major capital equipment purchases. These amounts are considered available to VCH and can be requested from the SCRHD at any point in 2022. For the purposes of full transparency to the users of the financial statements, total amounts committed as at December 31<sup>st</sup> have been disclosed.

### **Note 9-Global Uncertainty and the COVID-19 Pandemic**

Noting that the pandemic continues to impact organizations worldwide, consideration has been given to its impact on the SCHRD. Included as Note 9 in the Notes to the Financial Statements is a disclosure of the impact that COVID-19 has had on the operations of the SCHRD. This note discloses that despite the lasting global impacts of the virus, the Hospital District has not been significantly affected in 2021.

## **CONCLUSION**

Staff recommend that the Draft Audited Statements for Year Ended December 31, 2021, being presented by MNP LLP with Draft Independent Auditor's Report be received and approved by the SCRHD Board.

## **Attachments:**

- Audit Findings to the Board of Directors for year ended December 31, 2021;
- Draft Independent Auditor's Report;
- Draft Audited Financial Statements;

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO	X – D. McKinley	Other	