



Regional Hospital District Board Report

TO: Regional Hospital District Board

FROM: Marilyn Rilkoff
Director of Financial Services

DATE: June 26, 2020

SUBJECT: 2019 CORHD Financial Statements

Voting Entitlement: All Directors – Unweighted Corporate Vote – Simple Majority – LGA 208.1

Purpose: To report Annual Financial Information to the Hospital District Board and comply with legislative requirements. 2020 Provincial due dates for filing Financial Statements have been extended from May 15th to August 31st, 2020 due to the COVID-19 Pandemic.

Executive Summary:

The attached 2019 Audited Financial Statements are submitted for the Board's approval as required under the *Hospital District Act*.

In the opinion of the auditors, BDO, the financial statements present fairly, in all material respects, the position of the Central Okanagan Regional Hospital District as at December 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

RECOMMENDATION:

THAT the Central Okanagan Regional Hospital District Audited Financial Statements – year ended December 31, 2019 be approved.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "M. Rilkoff".

Marilyn Rilkoff
Director of Financial Services

Approved for Board's Consideration

A handwritten signature in black ink, appearing to read "Brian Reardon".

Brian Reardon, CAO

Implications of Recommendation:

General:	Legislative Compliance
Organizational:	The main purpose of the CORHD is to provide financing for 40% of the region's approved capital projects and equipment purchases.
Financial:	Compliance with legislative requirements. Part of Financial Control System.
Legal/Statutory Authority:	Expenditures were approved in the 2019–2023 Financial Plan Bylaw 1 – 2019 <i>Hospital District Act</i>

Background:

The financial statements have been prepared and audited in accordance with PSAB Standards by BDO, and a clean audit opinion has been received.

Once the Board has approved the Financial Statements, the auditors will finalize the audit report and the Final Financial Statements signed copies will be available in the Board's Reader File.

According to the Canadian Audit Standard 560, the date of BDO's audit report is required to be the date that those charged with governance (the Board) formally approve the draft financial statements as presented. The auditors must receive the approval and perform "subsequent events" work up to this date (procedures relating to subsequent events while financial statements are being presented for approval if audit staff have left the premises prior to the date of the report), prior to releasing the final financial statements.

In prior years, the Management Letter has been brought forward to an In Camera meeting as a matter of course. Going forward, the letter will only be brought forward if there are any items identified. This is not a requirement, but simply done for transparency to the Board. The letter is meant to be a confidential communication between the auditors and management to flag any potential discussion items and potential improvements. For 2019 and the past couple of years, there have been no items identified.

If the Board ever has any concerns with the audit, fraud or financial matters, they are invited to submit their concerns to the Chair or BDO.

Financial Considerations:

The accumulated deficit decreased by \$9,517,360 to \$67,350,704 (vs. \$76,868,064 in 2018 – see pages 6 & 7 of financial statements). New projects were funded by the 2019 tax requisitions and, long term debt was paid down. No new debt was added. The deficit is due to the fact that CORHD does not have any assets and pays for its share (40%) of capital contributions through taxation and debt financing.

Attachment(s):

- Financial Services Report – Guide to Understanding the Financial Statements
- CORHD 2019 Financial Statements