

VERNON JUBILEE HOSPITAL PHYSICIAN SOCIETY

Financial Statements

March 31, 2019

(Unaudited - See Notice To Reader)

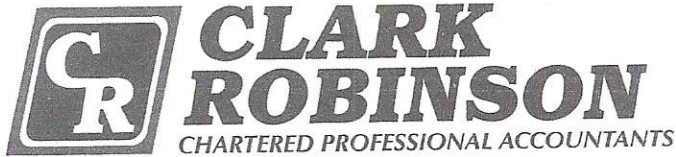
VERNON JUBILEE HOSPITAL PHYSICIAN SOCIETY

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Year Ended March 31, 2019

(Unaudited - See Notice To Reader)

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JACK W. ROBINSON, C.G.A. (d), 1991
**Denotes Professional Corporation*

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Vernon Jubilee Hospital Physician Society as at March 31, 2019 and the statements of operations and cash flow for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Clark, Robinson
Chartered Professional Accountants

Vernon, British Columbia
June 13, 2019

VERNON JUBILEE HOSPITAL PHYSICIAN SOCIETY

Statement of Financial Position

March 31, 2019

(Unaudited - See Notice To Reader)

	2019	2018
ASSETS		
CURRENT	\$ 143,832	\$ 503,923
Cash	10,000	10,000
Term deposits	3,259	1,915
Sales tax receivable	8,175	-
Prepaid expenses		
	<u>\$ 165,266</u>	<u>\$ 515,838</u>
LIABILITIES		
CURRENT	\$ 58,443	\$ 28,958
Accounts payable	897	-
Employee deductions payable	105,926	486,880
Deferred funding (Note 2)		
	<u>\$ 165,266</u>	<u>\$ 515,838</u>

VERNON JUBILEE HOSPITAL PHYSICIAN SOCIETY

Statement of Cash Flow
Year Ended March 31, 2019

(Unaudited - See Notice To Reader)

	2019	2018
OPERATING ACTIVITIES		
Receipts from funding	\$ 9	\$ 467,400
Paid to suppliers	(358,214)	(235,671)
Bank fees	(542)	(462)
Sales tax	(1,344)	(1,622)
Cash flow from (used by) operating activities	<u>(360,091)</u>	<u>229,645</u>
INVESTING ACTIVITY		
Term deposits	<u>-</u>	<u>190,000</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(360,091)</u>	<u>419,645</u>
Cash - beginning of year	<u>503,923</u>	<u>84,278</u>
CASH - END OF YEAR	<u>\$ 143,832</u>	<u>\$ 503,923</u>

VERNON JUBILEE HOSPITAL PHYSICIAN SOCIETY

Notes to Financial Statements

Year Ended March 31, 2019

(Unaudited - See Notice To Reader)

1. ORGANIZATION AND PURPOSE

The Society is registered under the Society Act of the Province of British Columbia and its main purpose is to give the medical staff a meaningful voice in improving patient care and the working environment, provide an opportunity to re-establish the physician voice and improve relationships with Health Authorities and indentify and work on issues that directly affect physicians and the medical staff as a whole. The Society is non-profit and is not subject to income taxes.

2. DEFERRED FUNDING

Funds are allocated annually by Doctors of BC. Any funds that are not expended are recorded as deferred.

VERNON JUBILEE HOSPITAL PHYSICIAN SOCIETY

Internal Operating Expenses
Year Ended March 31, 2019

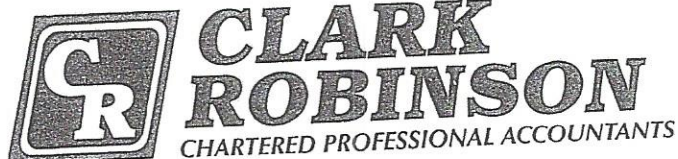
(Schedule 1)

	2019	2018
INTERNAL OPERATING EXPENDITURES		
Office	\$ 22,571	\$ 3,830
Interest & Bank Charges	542	463
Wages	339	249
Professional Fees	5,738	12,041
Meals	82	366
Insurance	1,835	1,795
Subcontract	79,395	47,171
	<u>\$ 110,502</u>	<u>\$ 65,915</u>

COPY

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June 11, 2019

Vernon Jubilee Hospital Physician Society
c/o Anna M. Flasch
2-2611 Lake Breeze Court
Lake Country, BC V4V 2M8

Attention: Dr. Michael Cooke

Dear Dr. Cooke:

This letter confirms the terms of our appointment as your accountants, and it outlines the terms, nature, and extent of the services we will be providing.

We will compile financial statements as arranged from time to time from information provided by you. We will not perform an audit or a review engagement on such information. Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

Notice to Reader

On the basis of information provided by management, we have compiled the statement of financial position of Vernon Jubilee Hospital Physician Society as at March 31, 2020 and the statements of operations and cash flow for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Our engagement should not be referred to as an audit, since it will not fulfill any statutory, contractual or other audit requirement, nor will it fulfill any requirement for financial statements that are prepared in accordance with Canadian generally accepted accounting principles. In view of the limited nature of our engagement, you may wish to obtain legal advice regarding any statutory or contractual requirements. The British Columbia Business Corporations Act requires that the company appoint an auditor unless all shareholders annually agree to waive such appointment. Please ensure that the shareholders' resolution waiving appointment of auditors is approved annually.

You understand and agree that:

- a) the financial statements are the representations of management, and management is responsible for their accuracy and completeness;
- b) you will supply the accurate and complete information necessary to compile the statements;
- c) if, during the minimal study entailed in our compilation, we learn of any matter that, in our opinion, would cause the financial statements to be misleading if not disclosed, it will be disclosed in the financial statements, or we will be required to withdraw from the engagement;
- d) each page of the financial statements will be marked "Unaudited - see Notice to Reader" and will either carry our notice to reader or refer the reader to it, and the financial statements must not be circulated without our marking and notice;

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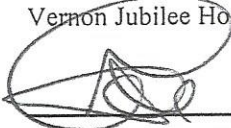
We shall be pleased to discuss the contents of this letter with you at any time, and to explain the reasons for any items. If the above terms are acceptable to you, and the services outlined are in accordance with your requirements, please sign the copy of this letter in the space provided and return it to us. We appreciate the opportunity to be of service to you.

Yours very truly,

Clark, Robinson
Chartered Professional Accountants

The services set out in the foregoing letter are in accordance with our requirements. The terms set out are acceptable to us and are hereby agreed to.

Vernon Jubilee Hospital Physician Society



Spt 5/19.

Date



J. ARTHUR CLARK, CPA, CGA*
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June 11, 2019

Vernon Jubilee Hospital Physician Society
c/o Anna M. Flasch
Lake Country
V4V 2M8

Attention: Dr. Michael Cooke

Dear Michael:

This letter confirms the terms of our appointment as your accountants, and it outlines the terms, nature, and extent of the services we will be providing.

Client Responsibilities

Our services will be performed on the basis that you acknowledge and take responsibility for:

- a) Supplying us with all the necessary information;
- b) Ensuring the accuracy and completeness of the information supplies. Our services are not designed to detect fraud or error; and
- c) Reviewing and approving all journal entries, transaction classifications, and account codes determined or changed as proposed by our firm.

This engagement does not include the preparation of financial statements or income tax returns. Should you require such services, a separate engagement will be required.

Services Provided

We will maintain a general ledger, accounts receivable ledger, accounts payable ledger, and a payroll register for your company. You will review and approve all journal entries, transaction classifications, and account codes determined or changed by our firm.

Without limiting the extent of the work we may provide for you, we will perform the following functions at the specified intervals:

Semi-monthly

- Produce payroll payments for your approval from time records and other information provided by you;

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Monthly

- Produce payment of supplier accounts using VersaPay System from invoices provided and coded by you;
- Produce payments and related reports for payroll deductions and benefits;
- Record revenue from invoices prepared by you;
- Record bank transactions from bank statements and deposit records provided by you;
- Post other transactions from information provided by you;
- Reconcile selected accounts;
- Provide you with an update of the general ledger, accounts receivable and payable ledgers, and payroll records.

Annually

- Prepare employee T4 reports.

Access to Information

To complete our engagement, we will require access to certain personal information. You hereby represent to us that you have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to us of personal information. We will manage all personal information in compliance with our Privacy Statement.

Money Laundering

The Proceeds of Crime (Money Laundering) and Terrorist Financing Act places certain legal requirements on our firm to report transactions that may be suspicious of being related to a money laundering or terrorist financing offence. It also requires our firm to report large cash transactions equal to or greater than \$10,000, the cross-border movement of currency or monetary instruments equal to or greater than \$10,000, and whether we are in possession or control of property that is considered terrorist property. Finally, the Act requires our firm to ascertain the identity and existence of clients and other entities. To meet these obligations, our firm may have to report information about Vernon Jubilee Hospital Physician Society that might otherwise be confidential. The reporting of this information may place Vernon Jubilee Hospital Physician Society and our firm in a conflict of interest. Should such a conflict arise our firm may be required to withdraw from this engagement. Please be advised that only information that is required under the Act will be disclosed. You hereby acknowledge this legal requirement placed upon our firm and the potential conflict of interest that may arise as a result of it. You also hereby authorize our firm to release and disclose information related to Vernon Jubilee Hospital Physician Society when required by statute to do so.

Fees

Our fees will be based the services detailed in the quote that we provided to you. Fees for any additional services will be based on the complexity and nature of the work and the degree of responsibility and skill required. Any disbursements will be added to our invoice. All billings are due upon presentation, unless other arrangements have been made in advance. A charge of 1.5% per month (19.56% on an annual basis) applies to overdue accounts.

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Terms

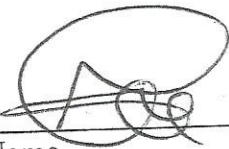
The terms of this letter supercede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties. Upon termination of this engagement, we will invoice you for any unbilled fees and expenses. Further, you agree to pay your account to the date of termination upon receipt of our invoice.

We shall be pleased to discuss the contents of this letter with you at any time and to explain the reasons for any items. If the above terms are acceptable to you, and the services outlined are in accordance with your requirements, please sign the copy of this letter in the space provided and return it to us.


Yours very truly,

Clark, Robinson
Chartered Professional Accountants

The services set out in the foregoing letter are in accordance with our requirements. The terms set out are acceptable to us and are hereby agreed to.



Name



Date