

Peace Country Health

Consolidated Financial Statements
March 31, 2006

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PEACE COUNTRY HEALTH
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

The accompanying consolidated financial statements are the responsibility of management and have been approved by the Authority. The consolidated financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness and, of necessity, include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the consolidated financial statements through the Audit Committee. This Committee meets with management and the external auditor, the Auditor General of Alberta, to discuss and review financial matters, and recommends the consolidated financial statements to the Peace Country Health Board for approval. The Auditor General of Alberta has full and free access to the Audit Committee.

The Auditor General of Alberta provides an independent audit of the consolidated financial statements. His examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and other procedures which allow him to report on the fairness of the consolidated financial statements prepared by management.

[Original signed]

Dalton M. Russell
President and
Chief Executive Officer

[Original signed]

Shawn Terlson
Chief Financial and
Information Officer

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Auditor's Report

To the Members of Peace Country Health
and the Minister of Health and Wellness

I have audited the statement of financial position of Peace Country Health (the Authority) as at March 31, 2006 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original Signed by Fred J. Dunn, FCA]

Auditor General

Edmonton, Alberta
June 6, 2006

Peace Country Health
Consolidated Statement of Financial Position
March 31, 2006

(in thousands of dollars)

	2006 \$	2005 \$
Assets		
Current assets		
Cash (note 4)	22,639	20,620
Accounts receivable	4,618	4,569
Contributions receivable from Alberta Health and Wellness	4,214	8,159
Inventories	1,007	1,082
Prepaid expenses	930	1,525
	<u>33,408</u>	<u>35,955</u>
Non-current cash (note 4)	6,997	5,347
Non-current receivables (note 5)	3,419	4,768
Capital assets (note 6)	193,853	183,780
	<u>237,677</u>	<u>229,850</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	21,805	18,325
Accrued vacation pay	9,893	8,654
Deferred contributions (schedule 3)	4,668	7,650
Current portion of long-term debt (note 8)	345	34
	<u>36,711</u>	<u>34,663</u>
Deferred capital contributions (note 7)	7,314	9,696
Long-term debt (note 8)	5,794	102
Unamortized external capital contributions (note 9)	179,170	174,480
	<u>228,989</u>	<u>218,941</u>
Net assets		
Accumulated (deficit) surplus	(1,992)	1,745
Investment in capital assets from internally funded sources	10,680	9,164
	<u>8,688</u>	<u>10,909</u>
	<u>237,677</u>	<u>229,850</u>

The accompanying notes and schedules are part of these consolidated financial statements.

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Peace Country Health
Consolidated Statement of Operations
For the year ended March 31, 2006

(in thousands of dollars)

	2006 Budget \$ (Note 11)	2005 Actual \$	2005 Actual \$
Revenues			
Alberta Health and Wellness contributions (note 12)	192,785	191,688	183,840
Other government contributions (note 13)	1,270	1,409	1,740
Fees and charges (note 14)	19,222	18,963	16,309
Ancillary operations – net (note 15)	1,012	836	998
Donations	276	465	380
Investment and other income (note 16)	4,238	5,877	5,487
Amortization of external capital contributions (note 9)	<u>10,000</u>	<u>9,842</u>	<u>9,910</u>
	<u>228,803</u>	<u>229,080</u>	<u>218,664</u>
Expenses (schedule 1)			
Facility-based inpatient acute nursing services	49,392	49,469	46,832
Facility-based emergency and outpatient services	16,668	17,575	15,502
Facility-based continuing care services	20,490	19,662	18,895
Ambulance services	11,618	11,484	3,818
Community-based care	6,663	6,853	5,737
Home care	13,121	13,074	11,395
Diagnostic and therapeutic services	38,610	40,785	37,291
Promotion, prevention and protection services	10,434	10,295	9,382
Research and education	-	25	45
Administration (note 17)	10,387	10,893	10,716
Information technology	4,325	4,307	3,595
Support services (note 18)	40,095	39,985	38,949
Amortization of facilities and improvements	<u>7,000</u>	<u>6,894</u>	<u>6,946</u>
	<u>228,803</u>	<u>231,301</u>	<u>209,103</u>
(Deficiency) excess of revenues over expenses (note 23)	<u>-</u>	<u>(2,221)</u>	<u>9,561</u>

The accompanying notes and schedules are part of these consolidated financial statements.

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Peace Country Health

Consolidated Statement of Changes in Net Assets For the year ended March 31, 2006

(in thousands of dollars)

			2006	2005
	Accumulated surplus (deficit) \$	Investment in capital assets from internally funded sources \$	Total \$	Total \$
Balance – Beginning of year	1,745	9,164	10,909	1,348
(Deficiency) excess of revenues over expenses	(2,221)	-	(2,221)	9,561
Capital assets purchased with internal funds	(2,622)	2,622	-	-
Amortization of internally funded capital assets	1,143	(1,143)	-	-
Repayment of long-term debt used to fund capital assets	(46)	46	-	-
Disposal of internally funded capital assets	9	(9)	-	-
Balance – End of year	(1,992)	10,680	8,688	10,909

The accompanying notes and schedules are part of these consolidated financial statements.

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Peace Country Health

Consolidated Statement of Cash Flows For the year ended March 31, 2006

(in thousands of dollars)

			2006	2005
	Budget \$	Actual \$	Actual \$	Actual \$
Cash provided by (used in)				
Operating activities				
(Deficiency) excess of revenues over expenses	-	(2,221)	9,561	
Items not affecting cash				
Amortization of internally funded equipment	1,250	963	1,212	
Amortization of externally funded equipment	3,150	3,113	3,074	
Amortization of internally funded facilities and improvements	150	180	162	
Amortization of externally funded facilities and improvements	6,850	6,729	6,784	
Amortization of external capital contributions	(10,000)	(9,842)	(9,910)	
Gain on disposal of capital assets – equipment	-	(30)	(150)	
Gain on disposal of capital assets – facilities and improvements	-	(15)	-	
	1,400	(1,123)	10,733	
Net change in non-cash working capital items	(2,533)	6,303	3,487	
Cash generated from (used by) operations	(1,133)	5,180	14,220	
Investing activities				
Purchase of capital assets				
Internally funded equipment	-	(2,521)	(593)	
Externally funded equipment	(2,802)	(5,738)	(2,913)	
Internally funded facilities and improvements	-	(101)	(150)	
Externally funded facilities and improvements	(11,132)	(7,312)	(1,972)	
Funded by long-term debt	-	(1,464)	-	
Proceeds on sale of capital assets	-	54	202	
Change in non-current cash	3,767	(1,650)	729	
Cash used by investing activities	(10,167)	(18,732)	(4,697)	
Financing activities				
Capital contributions received (note 7)	6,361	10,792	9,501	
Change in non-current receivables	4,720	1,349	(3,034)	
Capital contributions transferred from deferred contributions (note 7)	-	489	97	
Capital contributions transferred to operations (note 7)	(495)	(522)	(390)	
Proceeds from long-term debt	-	3,600	-	
Principal payment of long-term debt	(32)	(137)	(32)	
Cash generated from financing activities	10,554	15,571	6,142	
Increase (decrease) in cash	(746)	2,019	15,665	
Cash – Beginning of year	20,620	20,620	4,955	
Cash – End of year	19,874	22,639	20,620	

The accompanying notes and schedules are part of these consolidated financial statements.

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

1 Authority, purpose and operations

Peace Country Health (the "Authority"), formerly Mistahia Regional Health Authority, was established on June 24, 1994, under the Regional Health Authorities Act, Chapter R-10, Revised Statutes of Alberta, 2000. The Authority is a registered charity and is exempt from payment of income tax under Section 149 of the Income Tax Act.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in the region. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well-being.

The operations of the Authority include the following facilities and sites:

- Beaverlodge Municipal Hospital
- Central Peace Health Complex, Spirit River
- Fairview Health Complex
- Grande Cache Community Health Complex
- Grimshaw/Berwyn Continuing Care Centre
- Fox Creek Healthcare Centre
- High Prairie Health Complex
- Hythe Continuing Care Centre
- Mackenzie Place Long Term Care Centre, Grande Prairie
- Manning Community Health Centre
- Peace River Community Health Centre
- Queen Elizabeth II Hospital, Grande Prairie
- Sacred Heart Community Health Centre, McLennan
- Valleyview Health Centre
- Worsley Health Centre
- Health Unit Offices in Beaverlodge, Fairview, Fox Creek, Gift Lake, Grande Cache, Grande Prairie, High Prairie, Kinuso, Manning, McLennan, Peace River, Spirit River and Valleyview

2 Significant accounting policies and reporting practices

The consolidated financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and the reporting requirements of Financial Directive 26 issued by Alberta Health and Wellness. The significant accounting policies used in the preparation of these consolidated financial statements, including the accounting recommendations of Alberta Health and Wellness, are summarized below.

a) Basis of presentation

These financial statements have been prepared on a consolidated basis, except that foundations are not consolidated (see note 19). The entities consolidated are Grande Prairie Emergency Medical Services and Smoky River Ambulance Service Society.

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

In addition, the Authority participates in the Regional Shared Health Information Program ("RSHIP"), a special purpose, limited liability, not-for-profit company incorporated under the laws of Alberta. The purpose of RSHIP is to provide and manage a shared information systems infrastructure for the participating Health Authorities. The Authority accounts for its 14.2% interest in RSHIP on a proportionate consolidation basis.

These consolidated financial statements do not include the assets, liabilities, and operations of any voluntary or private facilities providing health services in the region. Information on these facilities is disclosed in schedule 4.

b) Revenue recognition

These consolidated financial statements use the deferral method, the key elements of which are:

- i) Unrestricted contributions are recognized as revenue in the year receivable.
- ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year in which related expenses are incurred.
- iii) Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested, or externally funded capital assets, are transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.
- iv) Restricted contributions for the purchase of capital assets that will not be amortized are recorded as direct increases to net assets.
- v) Unrestricted investment income is recognized in the year it is earned.
- vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets or is deferred and recognized as revenue in the year the related expenses are incurred.
- vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

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Peace Country Health

Notes to Consolidated Financial Statements

March 31, 2006

c) Full cost

The Authority records the fair value of services for which it is responsible. Such fair value transactions include the following:

- i) Revenues earned by contracted health service operators from Ministry of Health and Wellness designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.
- ii) Payments made by Alberta Health and Wellness directly to contracted health service operators for health programs are recorded as revenues and an equivalent amount recorded as program expenses as these payments represent part of the cost of the Authority's health programs.
- iii) The fair value for use of acute care facilities not owned by the Authority is recorded as revenue from other government contributions or from donations and as program expense, since contract payments from the Authority do not include an amount for the use of these facilities.
- iv) The fair value for use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.
- v) Other assets, supplies, and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenues and expenses in these consolidated financial statements because fair value cannot be reasonably determined.

d) Employee future benefits

The Authority participates in the Local Authorities Pension Plan. The pension plan is a multi-employer defined benefit pension plan that provides a pension for the Authority's participating employees, based on years of service and earnings.

Defined contribution plan accounting is applied to a multi-employer defined benefit plan for which the authority has insufficient information to apply defined benefit plan accounting.

Pension costs included in these consolidated financial statements comprise the employer's contributions for its employees during the year, based on rates expected to provide benefits payable under the pension plan. The Authority's portion of the pension plan's deficit or surplus is not recorded by the Authority.

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Notes to Consolidated Financial Statements

March 31, 2006

The Authority participates in a retiring allowance plan for a select group of employees. Benefits are based on 2.00% of the member's highest average earnings over a 60 consecutive month period less the average of the maximum pensionable earnings as determined under the provisions of the Local Authorities Pension Plan over the last 60 consecutive month period multiplied by the member's credited service under the retiring allowance plan. The plan is unfunded. The Authority accrues its obligation for the retiring allowance plan as the employee renders the service necessary to earn benefits.

e) Inventories

Inventories are valued at the lower of cost, as calculated on a moving average, or net realizable value.

f) Capital assets

Capital assets and capital projects in progress are recorded at cost. Capital assets costing less than \$5,000 are expensed.

Capital assets are amortized on a straight-line basis over the estimated useful life of the asset as follows:

Land improvements	10 – 25 years
Buildings	20 – 40 years
Major equipment	5 – 15 years

Capital projects in progress (work-in-progress) are not amortized until the project is complete.

Leases transferring substantially all of the benefits and risks of ownership of capital assets are accounted for as acquisitions of capital assets financed by long-term obligations.

g) Measurement uncertainty

The consolidated financial statements, by their nature, contain estimates and are subject to measurement uncertainty. Actual results could differ from these estimates.

h) Fair value of financial instruments

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment, and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The carrying amounts of cash, accounts receivable, contributions receivable, accounts payable and accrued liabilities, accrued vacation pay, and deferred contributions on the consolidated statement of financial position approximate fair value because of the short-term maturity of these instruments.

The Authority has certain receivables that are not due within one year. Management has reviewed these items, which are included in Non-current receivables (note 5), by reference to their terms and determined that their fair value is not materially different than their carrying value.

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

The carrying value of long-term debt approximates its fair value because the interest rates approximate market values.

- i) Trust funds received by the Authority for non-owned facilities

The Authority receives trust funds from Alberta Infrastructure to pay operators of non-owned facilities for capital purposes or facility repairs. These amounts are not reflected in the statements but disclosed in note 20.

3 Transfer of ambulance services

On April 1, 2005, the governance and funding of ambulance services within the Authority's boundaries was transferred from the municipalities to the Authority. During the fiscal year, the operations of six entities were incorporated into the operations of the Authority as summarized below.

The net assets and liabilities acquired were as follows:

	Current assets \$	Long-term assets \$	Current liabilities \$	Long-term liabilities \$	Unamortized external capital contributions \$	Purchase price \$
	(in thousands of dollars)					
Grande Prairie Emergency Medical Services	704	3,784	(704)	(2,540)	(1,244)	-
Other Emergency Medical Services	71	199	-	-	(147)	123
	<u>775</u>	<u>3,983</u>	<u>(704)</u>	<u>(2,540)</u>	<u>(1,391)</u>	<u>123</u>

The Authority acquired certain land, buildings and equipment as part of the transfer of the ambulance services. On the basis that these assets are specific to the operations of the ambulance services, management has determined that these assets are not readily marketable and the fair value cannot be reasonably determined. Accordingly, these assets have been recorded at the transaction costs.

Fairview and District Ambulance Service

During the year, select assets of the Fairview and District Ambulance Service were purchased for \$1.

Fox Creek Emergency Medical Services

During the year, select assets of the Fox Creek Emergency Medical Services were purchased for \$122,656.

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

Grande Prairie Emergency Medical Services

Effective April 1, 2005, the outstanding shares of Grande Prairie Emergency Medical Services were purchased for \$13.

Peace River Emergency Medical Services

Effective April 1, 2005, select assets of the Peace River Emergency Medical Services were purchased for \$1.

Smoky River Ambulance Service Society

Effective April 1, 2005, the Authority became a member of the Smoky River Ambulance Service Society and effective April 1, 2005 became the sole member of the Society.

Town of Grande Cache

During the year, select assets of the Town of Grande Cache were purchased for \$1.

4 Cash

	2006 \$	2005 \$
	(in thousands of dollars)	
Cash	<u>29,636</u>	<u>25,967</u>
Classified as:		
Current	22,639	20,620
Non-current	<u>6,997</u>	<u>5,347</u>
	<u>29,636</u>	<u>25,967</u>

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

Current cash represents amounts held for working capital purposes. Non-current cash represents amounts externally restricted for capital acquisitions.

5 Non-current receivables

	2006 \$	2005 \$
	(in thousands of dollars)	
Alberta Health and Wellness	2,342	-
Alberta Infrastructure	924	4,189
Non-current portion of receivables from physicians and staff	68	419
Foundations	85	112
Other Regional Health Authorities	-	48
	3,419	4,768

The amounts due from Alberta Health and Wellness, Alberta Infrastructure, and Foundations are for capital acquisitions.

The amount due from physicians and certain staff is the non-current portion of non-interest bearing loans granted to certain physicians to establish medical practices. The current portion of \$363,812 (2005 – \$739,342) is reported in accounts receivable.

6 Capital assets

	Cost					
	Opening balance – April 1, 2005 \$	Transfer from work-in- progress \$	Transfer of ambulance services \$	Additions \$	Disposals \$	Closing balance – March 31, 2006 \$
	(in thousands of dollars)					
Land	2,038	-	14	-	-	2,052
Land improvements	8,719	268	-	103	-	9,090
Buildings	254,147	2,246	2,568	527	256	259,232
Major equipment	67,073	675	1,401	3,418	223	72,344
Work-in-progress	3,694	(3,189)	-	13,036	-	13,541
	335,671	-	3,983	17,084	479	356,259

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

	Accumulated amortization			
	Opening balance – April 1, 2005 \$	Current year amortization \$	Amortization on disposals \$	Closing balance – March 31, 2006 \$
	(in thousands of dollars)			
Land	-	-	-	-
Land improvements	7,630	175	-	7,805
Buildings	93,965	6,734	256	100,443
Major equipment	50,296	4,076	214	54,158
Work-in-progress	-	-	-	-
	151,891	10,985	470	162,406

	Net book value	
	2006 \$	2005 \$
	(in thousands of dollars)	
Land	2,052	2,038
Land improvements	1,285	1,089
Buildings	158,789	160,182
Major equipment	18,186	16,777
Work-in-progress	13,541	3,694
	193,853	183,780

Capital assets have been funded from the following sources:

	2006 \$	2005 \$
	(in thousands of dollars)	
Externally funded – unamortized external capital contributions (note 9)	179,170	174,480
Internally funded – investment in capital assets	10,680	9,164
Financed by debt	4,003	136
	193,853	183,780

During the year, the Authority purchased capital assets with a cost of \$26,747 (2005 – \$167,997) through capital leases. As these were non-cash transactions, they have not been reflected in the statement of cash flows.

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

7 Deferred capital contribution

Deferred capital contributions represent amounts accounted for in accordance with accounting policies described in note 2(b).

	2006 \$	2005 \$
	(in thousands of dollars)	
Amounts received		
Restricted Alberta Health and Wellness contributions	5,504	1,957
Restricted Alberta Infrastructure contributions	4,049	7,002
Donations restricted for capital purposes	906	530
Other sources	333	12
	<u>10,792</u>	<u>9,501</u>
Transferred from (to)		
Unamortized external capital contributions (note 9)	(13,141)	(6,255)
Statement of operations – other government contributions (note 13)	(522)	(390)
Deferred contributions (schedule 3)	489	97
	<u>(13,174)</u>	<u>(6,548)</u>
Change during the year	(2,382)	2,953
Balance – Beginning of year	9,696	6,743
Balance – End of year	<u>7,314</u>	<u>9,696</u>
Balance at the end of year is restricted for the following purposes		
Equipment replacement	2,048	1,169
Improvement of capital assets	2,387	3,475
New construction	2,879	5,052
	<u>7,314</u>	<u>9,696</u>

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

8 Long-term debt

	2006 \$	2005 \$
	(in thousands of dollars)	
Debenture	3,600	-
Mortgages payable	2,422	-
Obligations under capital leases	117	136
	<u>6,139</u>	<u>136</u>
Less: Current portion	345	34
Non-current portion	<u>5,794</u>	<u>102</u>

Future payments for the year ended March 31:

	Debenture \$	Mortgages payable \$	Obligations under capital lease \$	Total \$
	(in thousands of dollars)			
2007	172	124	49	345
2008	179	132	33	344
2009	188	127	33	348
2010	196	97	2	295
2011	205	103	-	308
2012 and thereafter	2,660	1,839	-	4,499
	<u>3,600</u>	<u>2,422</u>	<u>117</u>	<u>6,139</u>

The debenture matures in 2021, has an annual rate of 4.6% and is repayable in blended semi-annual payments of \$167,446.

The terms of the mortgages payable are as follows:

Mortgage 1 is secured by a demand promissory note in the amount of \$2,163,872, real property with a carrying value of \$1,823,148, assignment of insurance on the property and a general security agreement. It is repayable in blended monthly payments of \$15,481, including interest at a rate of 5.97%, and matures February, 2008.

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Notes to Consolidated Financial Statements
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Mortgage 2 is secured by a demand promissory note in the amount of \$350,000, real property with carrying value of \$542,266, assignment of insurance on the property and a general security agreement. It is repayable in blended monthly payments of \$2,487, including interest at a rate of 5.90%, and matures December, 2008.

Mortgage 3 is secured by a demand promissory note in the amount of \$215,000, by assignment of fire and extended insurance, and a general security agreement covering specific serial numbered goods and specific equipment. It is repayable in blended monthly payments of \$4,178, including interest at a rate of 6.22% and matures December, 2008.

Capital leases expire on various dates to 2010. The implicit interest rates payable on these leases are 8.11% to 21.64%.

9 Unamortized external capital contributions

Unamortized external capital contributions reflect transactions accounted for in accordance with the accounting policies described in note 2(b). The balance at year-end represents the external capital contribution that will be recognized as revenue in future years.

	2006 \$	2005 \$
	(in thousands of dollars)	
Balance – Beginning of year	174,480	178,135
Transfer of ambulance services to the Authority (note 3)	1,391	-
Add: Amounts transferred from deferred capital contributions (note 7)	13,141	6,255
	189,012	184,390
Less: Amounts recognized as revenue		
Amortization of external capital contributions – equipment	(3,113)	(3,126)
Amortization of external capital contributions – facilities and improvements	(6,729)	(6,784)
Balance – End of year	179,170	174,480

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

10 Contingencies and Commitments

Commitments

a) Contracts

The Authority is committed to several contracts and is required to make the following minimum payments over the next five years:

	Equipment maintenance contracts \$	Healthcare services contracts \$	Operating leases \$	Total \$
	(in thousands of dollars)			
2007	4,785	1,327	8,814	14,926
2008	797	632	1,801	3,230
2009	423	245	1,004	1,672
2010	74	77	191	342
2011	64	86	129	279
	6,143	2,367	11,939	20,449

In addition to the above, the Authority has entered into an agreement for the purchase of electricity at a rate of 6.74 cents per kilowatt-hour. The agreement expires December 31, 2008.

b) Capital Projects

The Authority has committed to completing four major capital projections over the next few years. The total future commitment is \$2,891,000 as summarized below:

Project	Total approved amounts \$	Costs incurred to date \$	Future costs \$
	(in thousands of dollars)		
Grimshaw/Berwyn renovations to convert to Continuing Care	4,880	3,131	1,749
Grande Cache renovations to convert to Continuing Care	625	612	13
High Prairie Health Complex and program study	435	322	113
Mental Health Renovations	2,500	1,484	1,016
	8,440	5,549	2,891

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

Contingencies

The Authority has a contingent liability in respect of a claim concerning the methodology used to calculate pension benefit payments under the Local Authorities Pension Plan ("LAPP"). The claim has been filed jointly and severally against the Province of Alberta and the employers participating in LAPP. The claim specified an amount of \$1.25 billion. The outcome of the claim is not determinable and no liability is recorded at the time.

The Authority has a contingent liability in respect of a claim concerning increased long-term care accommodation charges levied effective August 1, 2003. The claim has been filed against the Province of Alberta and the Regional Health Authorities. The total amount of the claim is in excess of \$150 million based on the amount of the increase in accommodation charges levied. The outcome of the claim is not determinable and no liability is recorded at this time.

11 Budget

	Approved budget ⁽¹⁾ \$	Additional approved budget ⁽²⁾ \$	Budget reallocation ⁽³⁾ \$	Reported budget \$
	(in thousands of dollars)			
Revenues				
Alberta Health and Wellness contributions	194,709	1,217	(3,141)	192,785
Other government contributions	1,340	-	(70)	1,270
Fees and charges	19,222	-	-	19,222
Ancillary operations – net	1,039	-	(27)	1,012
Donations	276	-	-	276
Investment and other income	4,238	-	-	4,238
Amortization of external capital contributions	10,000	-	-	10,000
	<u>230,824</u>	<u>1,217</u>	<u>(3,238)</u>	<u>228,803</u>

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

	Approved budget ⁽¹⁾ \$	Additional approved budget ⁽²⁾ \$	Budget reallocation ⁽³⁾ \$	Reported budget \$
	(in thousands of dollars)			
Expenses				
Facility-based inpatient acute nursing care services	51,429	-	(2,037)	49,392
Facility-based emergency and outpatient services	16,551	16	101	16,668
Facility-based continuing care services	20,376	375	(261)	20,490
Ambulance services	11,584	-	34	11,618
Community-based care	6,978	-	(315)	6,663
Home care	12,849	-	272	13,121
Diagnostic and therapeutic services	38,349	-	261	38,610
Promotion, prevention and protection services	9,506	582	346	10,434
Research and education	-	-	-	-
Administration	10,653	-	(266)	10,387
Information technology	4,765	244	(684)	4,325
Support services	40,784	-	(689)	40,095
Amortization of facilities and improvements	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
	<u>230,824</u>	<u>1,217</u>	<u>(3,238)</u>	<u>228,803</u>
Excess of revenue over expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

⁽¹⁾The budget was approved by the Authority's Board of Governors on May 2, 2005, and submitted to the Minister of Health and Wellness for approval.

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

⁽²⁾Over the course of the fiscal year, the Minister provided additional operational funding as follows:

Additional funding added to the budget:

	\$ (in thousands of dollars)
Immunization administration costs	332
Immunization surveillance	250
Security of systems	244
Continuing care	375
Supplemental rural on-call	16
	<u>1,217</u>

Additional funding not added to the budget:

	\$ (in thousands of dollars)
Mental Health innovation funds	1,440
Telehealth clinical funding	601
Supplemental specialist on-call	751
	<u>2,792</u>

The additional funding not added to the budget will be deferred and recognized in 2006/07.

⁽³⁾The business plan submitted to Alberta Health and Wellness included significant budget allocations such as contingencies for employee salary negotiations based on management estimates. The budget was subsequently adjusted for actual settlement amounts, as they became known.

In addition, the business plan included the Authority's expectation on funding from Alberta Health and Wellness for Mental Health Services. These funding expectations did not materialize in the amount and timing as originally budgeted. The expected funding and related expenditures were subsequently removed from the budget.

Finally, the funding for RSHIP was incorrectly reported as operational funding in the business plan. The funding and related expenditures were subsequently removed from the operating budget.

Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

12 Alberta Health and Wellness contribution

	2006 \$ (in thousands of dollars)	2005 \$ (in thousands of dollars)
Unrestricted contributions	180,515	178,059
Transfers from deferred contributions (schedule 3)	11,173	5,781
	<u>191,688</u>	<u>183,840</u>

13 Other government contributions

	2006 \$ (in thousands of dollars)	2005 \$ (in thousands of dollars)
Fair value of rent for non-acute care used by the Authority (Alberta Infrastructure)	579	807
Infrastructure maintenance program (Alberta Infrastructure) (note 7)	522	390
Francophone project (Federal government)	120	105
AADAC (Provincial government)	76	79
Alberta Cancer Board (Provincial government)	54	39
Alberta Mental Health Board (Provincial government)	-	270
Other Provincial government	40	37
Municipal governments	18	-
Other	-	13
	<u>1,409</u>	<u>1,740</u>

Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

14 Fees and charges

	Inpatient/resident		Outpatient		Total	
	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
	(in thousands of dollars)					
Acute care						
Out-of province	3,409	3,789	2,538	1,838	5,947	5,627
Out-of-country base amounts	133	1	60	20	193	21
Out-of-country surcharges	-	47	-	25	-	72
WCB standard charges	810	714	1,981	1,740	2,791	2,454
Federal	149	22	110	115	259	137
Uninsured medial services	5	2	23	15	28	17
Self insured individuals	7	28	77	-	84	28
Preferred accommodation	129	134	-	-	129	134
Continuing care standard ward	125	56	-	-	125	56
Continuing care semi-private	7	8	-	-	7	8
	<u>4,774</u>	<u>4,801</u>	<u>4,789</u>	<u>3,753</u>	<u>9,563</u>	<u>8,554</u>
Continuing care						
Continuing care standard ward	44	91	-	-	44	91
Continuing care semi-private	4,207	4,076	-	-	4,207	4,076
Continuing care private	2,749	2,887	-	-	2,749	2,887
WCB standard charges	70	60	-	-	70	60
	<u>7,070</u>	<u>7,114</u>	<u>-</u>	<u>-</u>	<u>7,070</u>	<u>7,114</u>
Ambulance services	<u>2,330</u>	<u>641</u>	<u>-</u>	<u>-</u>	<u>2,330</u>	<u>641</u>
	<u>14,174</u>	<u>12,556</u>	<u>4,789</u>	<u>3,753</u>	<u>18,963</u>	<u>16,309</u>

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

15 Ancillary operations

	Parking operations \$	Rental/other operations \$	2006	2005
			Total \$	Total \$
	(in thousands of dollars)			
Revenues	570	521	1,091	1,214
Expenses	66	189	255	216
Excess of revenues over expenses	<u>504</u>	<u>332</u>	<u>836</u>	<u>998</u>

16 Investment and other income

	2006 \$	2005 \$
	(in thousands of dollars)	
Unrestricted investment income	337	438
Other income	5,518	4,987
Transfers from deferred contributions (schedule 3)	22	62
	<u>5,877</u>	<u>5,487</u>

Investment income comprises interest, dividends, amortization of discount and premiums, and net gains on disposal of investments.

Other income comprises recoveries from sources external to the Authority for materials, supplies and wages.

17 Administration

	2006 \$	2005 \$
	(in thousands of dollars)	
General administration	5,342	4,769
Financial services	2,432	2,545
Human resources	2,545	2,892
Administration attributed to private sector operators (schedule 4)	574	510
	<u>10,893</u>	<u>10,716</u>

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

18 Support services

	2006	2005
	\$	\$
	(in thousands of dollars)	
Bio-medical engineering	413	340
Building maintenance, operations and security	12,272	12,730
Communications	1,203	1,132
Education	1,605	1,576
Health registry	5,212	4,684
Housekeeping	5,287	5,323
Laundry and linen	1,908	1,811
Materials management and transportation	3,273	2,859
Patient food services	7,516	7,132
Volunteer services and other	296	263
Support services attributed to private sector operators (schedule 4)	1,000	1,099
	<u>39,985</u>	<u>38,949</u>

19 Related parties

Province of Alberta

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements.

The Authority is established under the Regional Health Authorities Act. The Minister of Health and Wellness appoints the board members. The Authority is economically dependent upon the Ministry of Health and Wellness since the viability of its ongoing operations depends on contributions from the Ministry.

Transactions between the Authority and its related parties are disclosed in the Consolidated Statement of Operations, and in the notes and schedules to the Consolidated Financial Statements.

Unless otherwise disclosed, related party transactions are recorded at the amount of consideration agreed upon between the related parties. The Authority had transactions with related parties not otherwise disclosed in the financial statements as summarized in schedule 5.

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

Foundations

The Authority has an economic interest in the following Foundations that are not consolidated with the results of the Authority. These Foundations raise funds to benefit the Authority and other health related entities and are registered charities under the Income Tax Act:

Beaverlodge Hospital Foundation
Fairview Health Complex Foundation
Grande Cache Hospital Foundation
Grimshaw/Berwyn & District Hospital Foundation
Hythe Nursing Home Foundation
Peace Health Foundation
Queen Elizabeth II Hospital Foundation
Valleyview Health Care Foundation

20 Trust funds

The Authority holds funds in the amount of \$274,665 (2005 – \$204,145) on behalf of its continuing care clients and the QEII Hospital Child Care Centre.

21 Pension costs

Local Authorities Pension Plan

The Authority participates in the Local Authorities Pension Plan, which is a multi-employer defined benefit plan. The pension expense recorded in these consolidated financial statements is equivalent to the Authority's annual contribution payable of \$7,426,491 for the year ended March 31, 2006 (2005 – \$6,353,185).

At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of \$863,558,000 (2004 – \$1,288,924,000).

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Peace Country Health

Notes to Consolidated Financial Statements
March 31, 2006

Retiring Allowance Plan

The Authority established a retiring allowance plan for a select group of employees effective January 4, 2006. The plan is unfunded. At March 31, 2006, the unamortized accrued benefit obligation is \$183,205. The significant actuarial assumptions in measuring the Authority's accrued benefit obligation as of March 31, 2006 are as follows:

	%
Discount rate	5.40
Increase in pensionable earnings	3.50
Increase in maximum pension permitted under the income tax act	3.50

22 Comparative figures

Certain 2005 figures have been reclassified and restated to conform to 2006 presentation.

23 Operating deficit

Per Alberta Regulation 15/95 of the Regional Health Authorities Act, Regional Health Authorities shall not incur an annual operating deficit. If a Regional Health Authority incurs an annual operating deficit, further action is required depending on the circumstances.

The Authority incurred an operating deficit of \$2,220,868 for the year ended March 31, 2006. The Authority does not have sufficient accumulated surplus to offset the current year deficit and is therefore required to submit a plan to the Minister of Health and Wellness by July 31, 2006 on how the accumulated deficit will be eliminated within the next three years. The Authority will work with the Minister of Health and Wellness on developing a deficit elimination plan.

24 Subsequent event

Alberta Infrastructure and Transportation is in the process of transferring at nominal cost to the Authority, the Spirit River Public Health Centre and the Worsley Health Complex. The impact to the Authority's financial statements will be increases in both capital assets and unamortized external capital contributions of \$633,376.

25 Approval of consolidated financial statements

These consolidated financial statements have been approved by the Authority's Board of Governors.

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Peace Country Health

Consolidated Schedule of Expenses by Object
For the year ended March 31, 2006

Schedule 1

(in thousands of dollars)

	2006	2005	
	Budget \$ (Note 11)	Actual \$	Actual \$
Salaries, honoraria, benefits, allowances and severance (schedule 2)	157,068	156,437	137,749
Contracts with health service operators (schedule 4)	5,015	5,521	5,375
Drugs and gases	4,060	4,359	3,934
Medical and surgical supplies	4,183	4,829	4,373
Other contracted services	13,168	15,030	14,178
Interest on long-term debt	-	163	6
Other*	33,909	34,277	32,622
Amortization			
Internally funded equipment	1,250	963	1,212
Externally funded equipment	3,150	3,113	3,074
Internally funded facilities and improvements	150	180	162
Externally funded facilities and improvements	6,850	6,729	6,784
Gain on disposal of capital assets			
Equipment	-	(30)	(150)
Facilities	-	(15)	-
	228,803	231,556	209,319
Less: Amounts reported in ancillary operations (note 15)	-	255	216
	228,803	231,301	209,103
		2006	2005
	Budget \$ (Note 11)	Actual \$	Actual \$
*Other: Significant amounts include			
Diagnostic and therapeutic supplies	2,908	3,186	3,045
Equipment expenses	5,765	7,029	5,968
Food supplies	1,832	2,061	1,919
Patient transport	-	2,793	2,934
Recruitment and relocation	661	1,086	1,210
Utilities	5,525	5,404	5,970
Other	17,218	12,718	11,576
	33,909	34,277	32,622

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Peace Country Health

Schedule 2

Consolidated Schedule of Salaries, Honoraria, Benefits Allowances and Severance For the year ended March 31, 2006

(in thousands of dollars)

	2006							2005			
	Number of individuals ⁽¹⁾ #	Salaries and honoraria ⁽²⁾ \$	Benefits and allowances ⁽³⁾ \$	Sub-total \$	Severance ⁽⁴⁾		Total \$	Number of individuals ⁽¹⁾ #	Salaries, honoraria and benefits ⁽²⁾⁽³⁾ \$	Severance ⁽⁴⁾ \$	Total \$
					Number of individuals #	Amount \$					
Authority/Board Compensation											
RHA Chairperson											
Marvin Moore	1.00	37	5	42	-	-	42	1.00	32	-	32
RHA Members											
Claudia Buck	1.00	14	4	18	-	-	18	1.00	13	-	13
Dennis Grant	1.00	14	1	15	-	-	15	1.00	9	-	9
Delphine Harbourne	1.00	17	2	19	-	-	19	1.00	14	-	14
Andre Harpe	1.00	16	5	21	-	-	21	1.00	16	-	16
Milton Hommy	1.00	12	3	15	-	-	15	1.00	13	-	13
Wayne Jacques	1.00	7	3	10	-	-	10	1.00	13	-	13
Rose Kasinec	1.00	17	3	20	-	-	20	1.00	14	-	14
Betty Kruse	1.00	14	1	15	-	-	15	1.00	18	-	18
Lawrence Meardi	1.00	11	4	15	-	-	15	1.00	13	-	13
Jean Ryeroft	1.00	14	5	19	-	-	19	1.00	14	-	14
Marie Saville	1.00	13	2	15	-	-	15	1.00	14	-	14
Brenda Strom	1.00	3	4	7	-	-	7	1.00	3	-	3
Total Honoraria	13.00	189	42	231	-	-	231	13.00	186	-	186
Staff compensation											
Chief Executive Officer ⁽⁵⁾	1.00	269	41	310	-	-	310	1.00	302	-	302
Medical Officer of Health	1.00	282	27	309	-	-	309	1.00	296	-	296
Management persons reporting to CEO											
Chief Operating Officer, QEII Hospital	1.00	159	23	182	-	-	182	1.00	181	-	181
Chief Operating Officer, Regional Sites	1.00	131	28	159	-	-	159	1.00	149	102	251
Vice President, Regional Health Services	1.00	153	23	176	-	-	176	1.00	167	-	167
Vice President, Human Resources	1.00	147	28	175	-	-	175	1.00	176	-	176
Chief Financial & Information Officer	1.00	153	36	189	-	-	189	1.00	169	-	169
Vice President, Medical Affairs	0.80	294	28	322	-	-	322	0.80	321	-	321
Corporate Business Officer	1.00	108	25	133	-	-	133	-	-	-	-
Other management persons reporting to those above	36.94	3,421	704	4,125	1	70	4,195	40.25	4,455	221	4,676
Other management	68.04	5,305	1,232	6,537	-	-	6,537	42.95	4,962	38	5,000

Peace Country Health

Consolidated Schedule of Salaries, Honoraria, Benefits Allowances and Severance ...*continued*

For the year ended March 31, 2006

(in thousands of dollars)

	2006						2005				
	Number of individuals ⁽¹⁾ #	Salaries and honoraria ⁽²⁾ \$	Benefits and allowances ⁽³⁾ \$	Sub-total \$	Severance ⁽⁴⁾		Total \$	Number of individuals ⁽¹⁾ #	Salaries, honoraria and benefits ⁽²⁾⁽³⁾ \$	Severance ⁽⁴⁾ \$	Total \$
					Number of individuals #	Amount \$					
Regulated nurses not included above – RN's	539.52	42,795	8,202	50,997	-	-	50,997	537.98	47,051	-	47,051
Regulated nurses not includes above – LPN's	201.20	9,089	1,727	10,816	-	-	10,816	185.36	9,453	-	9,453
Other health technical and professionals	463.07	28,997	5,000	33,997	-	-	33,997	313.49	24,338	-	24,338
Unregulated health service providers	304.88	10,468	1,860	12,328	-	-	12,328	324.61	13,025	-	13,025
Other staff	745.15	28,970	6,253	35,223	2	51	35,274	730.40	32,157	-	32,157
Retirement arrangement ⁽⁶⁾	-	-	107	107	-	-	107	-	-	-	-
Total staff compensation	2,367.60	130,741	25,344	156,085	3	121	156,206	2,182.79	137,202	361	137,563
Total	2,380.60	130,930	25,386	156,316	3	121	156,437	2,195.79	137,388	361	137,749

Peace Country Health

Consolidated Schedule of Honoraria, Benefits, Allowances and Severance... *continued*
For the year ended March 31, 2006

(in thousands of dollars)

⁽¹⁾Full-time equivalent (FTE) for all staff is 2,022.75 hours. The prior year is restated to reflect this same standard. The total discrete number of individuals employed is 3,547 (2005 – 3,586).

⁽²⁾Salaries include regular base pay, overtime, lump-sum payments, shift differential, honoraria, sick leave, short-term disability, earned vacation leave and other remuneration.

⁽³⁾Benefits and allowances includes the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment, long-term and short-term disability plans, Canada Pension Plan, employment insurance and workers compensation.

⁽⁴⁾Severance includes amounts paid directly or indirectly to individuals upon termination, which are not included in salaries, honoraria, benefits, and allowances.

⁽⁵⁾The Chief Executive Officer is provided with an automobile. No dollar amount is included under benefits and allowances.

⁽⁶⁾Retirement arrangement costs as detailed below represent the cost of future retirement benefits earned in the given fiscal year and are not actual cash payments. Future retirement benefits to participants are based on years of service and earnings at retirement. The cost of these benefits is actuarially determined using the projected unit credit service pro-rated method and management's best estimates regarding economic and demographic assumptions, including a market discount rate. Net actuarial gains or losses of the retirement benefit obligation are amortized over the average remaining service life of the employee group.

Current service cost is the actuarial present value of the retirement benefit earned in the fiscal year. Other costs include amortization of initial obligation and interest accruing on the actuarial liability.

	2006		2005	
	Current service cost \$	Other costs \$	Total \$	Total \$
President and Chief Executive Officer	31	21	52	-
Vice President, Medical Services	37	18	55	-
	<u>68</u>	<u>39</u>	<u>107</u>	<u>-</u>

Peace Country Health

Schedule 3

Consolidated Schedule of Deferred Contributions For the year ended March 31, 2006

(in thousands of dollars)

	Amounts received or receivable						Amounts recognized as revenue					Transfers		Closing balance - March 31, 2006 \$
	Opening balance - April 1, 2005 \$	Alberta Health and Wellness \$	Other government contributions \$	Foundations \$	Donors \$	Investments and other \$	Alberta Health and Wellness \$ (Note 12)	Other government contributions \$ (Note 13)	Foundations \$	Donations \$	Investments and other \$ (Note 16)	Transfer to (from) deferred capital contributions \$ (Note 7)	Refunds \$	
Alberta Health and Wellness														
Primary Health Services	381	-	-	-	-	-	253	-	-	-	-	-	-	128
Children's Health Initiative	9	92	-	-	-	-	90	-	-	-	-	-	-	11
Ground Ambulance Pilot Project	6,033	286	-	-	-	-	5,728	-	-	-	-	591	-	-
Continuing Care Systems Project	-	87	-	-	-	-	52	-	-	-	(86)	-	-	121
EMT - Paramedic Training	90	-	-	-	-	-	-	-	-	-	-	-	-	90
Primary Care Initiative	100	-	-	-	-	-	100	-	-	-	-	-	-	-
Telehealth Operating Grant	110	-	-	-	-	-	-	-	-	-	-	-	-	110
Telehealth Project	74	-	-	-	-	-	-	-	-	-	-	-	-	74
Immunization administrative costs	-	332	-	-	-	-	231	-	-	-	-	-	-	101
Security of Systems	-	244	-	-	-	-	244	-	-	-	-	-	-	-
Rural On Call	-	1,518	-	-	-	-	1,516	-	-	-	-	-	2	-
Early Childhood Development	-	426	-	-	-	-	426	-	-	-	-	-	-	-
Specialists On-Call	-	3,091	-	-	-	-	2,408	-	-	-	-	-	683	-
Enhanced Surveillance of Immunization Coverage	-	250	-	-	-	-	3	-	-	-	-	-	-	247
MHIF-Shared/Collaborative Care	-	267	-	-	-	-	13	-	-	-	-	-	-	254
MHIF-Day Treatment Program	-	573	-	-	-	-	26	-	-	-	-	-	-	547
MHIF-Supportive Housing	-	410	-	-	-	-	-	-	-	-	-	-	-	410
MHIF-Crisis Response	-	190	-	-	-	-	25	-	-	-	-	-	-	165
INterRAI Tools for Resident Assessments	-	97	-	-	-	-	-	-	-	-	-	-	-	97
Telehealth Clinical Funding	-	598	-	-	-	-	-	-	-	-	-	-	-	598
Various Projects <\$10,000	-	12	-	-	-	-	9	-	-	-	-	-	-	3
	6,797	8,473	-	-	-	-	11,124	-	-	-	-	505	685	2,956

Peace Country Health

Consolidated Schedule of Deferred Contributions...continued

For the year ended March 31, 2006

(in thousands of dollars)

	Amounts received or receivable						Amounts recognized as revenue					Transfers		Closing balance – March 31, 2006 \$
	Opening balance – April 1, 2005 \$	Alberta Health and Wellness \$	Other government contributions \$	Foundations \$	Donors \$	Investments and other \$	Alberta Health and Wellness \$ (Note 12)	Other government contributions \$ (Note 13)	Foundations \$	Donations \$	Investments and other \$ (Note 16)	Transfer to (from) deferred capital contributions \$ (Note 7)	Refunds \$	
Other Government contributions														
AADAC – Tobacco Reduction Strategy	12	-	25	-	-	-	-	37	-	-	-	-	-	-
AADAC – Tobacco Reduction Strategy	-	-	50	-	-	-	-	38	-	-	-	-	-	12
ACB – Alberta Cervical Screening Program	-	-	58	-	-	-	-	54	-	-	-	-	-	4
Primary Care Diabetes Project – via Aspen RHA	276	-	-	-	-	-	45	-	-	-	-	-	-	231
Chronic Disease Self Management – via DT RHA	-	4	-	-	-	-	4	-	-	-	-	-	-	-
Health Canada – PCI Interdisciplinary Initiative	-	-	50	-	-	-	-	-	-	-	-	-	-	50
Various Project <\$10,000	1	-	-	-	-	-	-	1	-	-	-	-	-	-
	289	4	183	-	-	-	49	130	-	-	-	-	-	297
Foundations														
Fairview Health Complex – Fairview OR	-	-	-	49	-	-	-	-	49	-	-	-	-	-
QEII Foundation – Versys Instruments & Prosthesis	-	-	-	20	-	-	-	-	20	-	-	-	-	-
QEII Foundation – Morland Instruments	-	-	-	20	-	-	-	-	20	-	-	-	-	-
QEII Foundation – ENT Instruments	-	-	-	16	-	-	-	-	16	-	-	-	-	-
QEII Foundation – Harmonic Scalpels for Lap's	-	-	-	12	-	-	-	-	12	-	-	-	-	-
Peace River Hospital Foundation – Ophthalmology	52	-	-	64	-	-	-	-	61	-	-	-	-	55
Various Projects <\$10,000	-	-	-	108	-	-	-	-	108	-	-	-	-	-
	52	-	-	289	-	-	-	-	286	-	-	-	-	55

Peace Country Health

Consolidated Schedule of Deferred Contributions...continued For the year ended March 31, 2006

(in thousands of dollars)

	Amounts received or receivable						Amounts recognized as revenue					Transfers		Closing balance - March 31, 2006 \$
	Opening balance - April 1, 2005 \$	Alberta Health and Wellness \$	Other government contributions \$	Foundations \$	Donors \$	Investments and other \$	Alberta Health and Wellness \$ (Note 12)	Other government contributions \$ (Note 13)	Foundations \$	Donations \$	Investments and other \$ (Note 16)	Transfer to (from) deferred capital contributions \$ (Note 7)	Refunds \$	
Donations														
Alberta Stroke Foundation	-	-	-	-	-	612	-	-	-	-	-	-	-	612
Aramark - Equipment Funds	-	-	-	-	-	-	-	-	-	-	(16)	-	-	16
AMA - Grande Cache Primary Care Initiative	38	-	-	-	-	-	-	-	-	9	-	-	-	29
AMA - Fairview Primary Care Initiative	-	-	-	-	-	50	-	-	-	13	-	-	-	37
AMA - Sexsmith Primary Care Initiative	-	-	-	-	-	50	-	-	-	-	-	-	-	50
AMA - West Peace Primary Care Initiative	-	-	-	-	-	50	-	-	-	-	-	-	-	50
VON - Adult Day Program	-	-	-	-	94	-	-	-	1	-	-	-	-	93
MD of Fairview - Fairview Clinic	-	-	34	-	-	-	-	18	-	-	-	-	-	16
High Prairie General	60	-	-	-	4	-	-	-	1	-	-	-	-	63
Peace River Health Center (Estate of A. Simpson)	59	-	-	-	-	-	-	-	27	-	-	-	-	32
QEII Nutrition	38	-	-	-	-	-	-	-	20	-	-	-	-	18
Manning Building Fund	34	-	-	-	6	-	-	-	1	-	-	-	-	39
Internal Diabetes	33	-	-	-	7	-	-	-	6	-	-	-	-	34
CP LTC Gazebo	32	-	-	-	-	-	-	-	-	-	-	-	-	32
Internal Medicine	23	-	-	-	11	-	-	-	2	-	-	-	-	32
Peace River Car Raffle	23	-	-	-	-	-	-	-	7	-	-	-	-	16
Central Peace Palliative Care	21	-	-	-	10	-	-	-	3	-	-	-	-	28
Abdul Rahman Bursary	17	-	-	-	4	-	-	-	-	-	-	-	-	21
Central Peace Special Purpose Fund	14	-	-	-	-	-	-	-	6	-	-	-	-	8
QEII General	12	-	-	-	-	-	-	-	12	-	-	-	-	-
Sutherland Resident Activity	10	-	-	-	-	-	-	-	2	-	-	-	-	8
Fairview Palliative Care Society	-	-	-	-	24	-	-	-	24	-	-	-	-	-
Various Projects <\$10,000	98	-	-	-	115	-	-	-	87	-	-	-	-	126
	512	-	34	-	275	762	-	18	-	199	22	(16)	-	1,360
	7,650	8,477	217	289	275	762	11,173	148	286	199	22	489	685	4,668

All amounts above are current deferred contributions

Peace Country Health

Schedule 4

Consolidated Schedule of Voluntary and Private Health Service Providers For the year ended March 31, 2006

(in thousands of dollars)

	Revenue						Expenses			
	Direct region funding \$	Approved patient fees and charges \$	Total revenues \$	Facility based continuing care services \$	Community based services \$	Home care \$	Diagnostic and therapeutic services \$	Administra- tion \$ (Note 17)	Support services \$ (Note 18)	Total expenditures \$
Private Health Service Providers										
Access Physiotherapy	208	-	208	-	-	-	198	10	-	208
Columbia Rehabilitation Centre	174	-	174	-	-	-	165	9	-	174
Junction Point Physiotherapy	37	-	37	-	-	-	35	2	-	37
Kinesis Physiotherapy	37	-	37	-	-	-	35	2	-	37
Chantelle Management	1,944	901	2,845	1,536	-	-	142	427	740	2,845
Connecting Care	301	-	301	-	-	286	-	15	-	301
Hythe and District Pioneer Home	90	-	90	-	-	86	-	4	-	90
College and Community Health Centre	47	-	47	-	-	-	35	3	9	47
Dynacare Kasper Medical Laboratories	1,257	-	1,257	-	-	-	930	76	251	1,257
	4,095	901	4,996	1,536	-	372	1,540	548	1,000	4,996
Voluntary Health Service Providers										
Community mental health partners	525	-	525	-	499	-	-	26	-	525
Total 2005/06	4,620	901	5,521	1,536	499	372	1,540	574	1,000	5,521
Total 2004/05	4,452	923	5,375	1,574	539	125	1,528	510	1,099	5,375

Peace Country Health

Schedule 5

Consolidated Schedule of Related Party Transactions and Balances For the year ended March 31, 2006

(in thousands of dollars)

Balances	Accounts receivable		Cash		Accounts payable and accrued liabilities		Debt	
	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
Other Health Authorities	600	689	-	-	-	-	-	-
Other organizations	-	5	-	-	23	10	-	-
Alberta Treasury Branch	-	-	1,331	4,428	-	-	6,022	-
	600	694	1,331	4,428	23	10	6,022	-

Revenue and expenses	Revenue		Expenses	
	2006 \$	2005 \$	2006 \$	2005 \$
School Boards	1,651	1,084	148	240
Other Health Authorities	215	186	131	38
Other organizations	78	112	134	136
	1,944	1,382	413	414

Peace Country Health

Consolidated Schedule of Segmented Information
For the year ended March 31, 2006

Schedule 6

(in thousands of dollars)

	Health operations \$	Ambulance operations \$	Eliminate intercompany transactions \$	Consolidated operations \$
Revenues				
Alberta Health and Wellness contributions	185,960	5,728	-	191,688
Other government contributions	1,409	-	-	1,409
Fees and charges	16,719	4,966	(2,722)	18,963
Ancillary operations – net	836	-	-	836
Donations	464	1	-	465
Investment and other income	5,348	529	-	5,877
Amortization of external capital contributions	9,582	260	-	9,842
	<u>220,318</u>	<u>11,484</u>	<u>(2,722)</u>	<u>229,080</u>
Expenses				
Facility-based inpatient acute nursing services	49,469	-	-	49,469
Facility-based emergency and outpatient services	17,575	-	-	17,575
Facility-based continuing care services	19,664	-	-	19,664
Ambulance services	2,790	11,414	(2,722)	11,482
Community based care	6,853	-	-	6,853
Home care	13,074	-	-	13,074
Diagnostic and therapeutic services	40,785	-	-	40,785
Promotion, prevention and protection services	10,295	-	-	10,295
Research and education	25	-	-	25
Administration	10,893	-	-	10,893
Information technology	4,307	-	-	4,307
Support services	39,985	-	-	39,985
Amortization of facilities and improvements	6,824	70	-	6,894
	<u>222,539</u>	<u>11,484</u>	<u>(2,722)</u>	<u>231,301</u>
Deficiency of revenues over expenses	<u>(2,221)</u>	<u>-</u>	<u>-</u>	<u>(2,221)</u>

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Peace Country Health

Consolidated Schedule of Segmented Information ...continued
For the year ended March 31, 2006

(in thousands of dollars)

	Health operations \$	Ambulance operations \$	Eliminate intercompany transactions \$	Consolidated operations \$
Expenses by Object				
Salaries, honoraria, benefits, allowances and severance	148,014	8,423	-	156,437
Contracts with health service operators	5,521	-	-	5,521
Drugs and gases	4,351	8	-	4,359
Medical and surgical supplies	4,686	143	-	4,829
Other contracted services	14,641	389	-	15,030
Interest on long-term debt	14	149	-	163
Other	34,894	2,105	(2,722)	34,277
Amortization				
Internally funded equipment	956	7	-	963
Externally funded equipment	2,922	191	-	3,113
Internally funded facilities and improvements	180	-	-	180
Externally funded facilities and improvements	6,660	69	-	6,729
Gain on disposal of capital assets				
Equipment	(30)	-	-	(30)
Facilities	(15)	-	-	(15)
	<u>222,794</u>	<u>11,484</u>	<u>(2,722)</u>	<u>231,556</u>
Less: Amounts reported in ancillary operations	<u>255</u>	<u>-</u>	<u>-</u>	<u>255</u>
	<u>222,539</u>	<u>11,484</u>	<u>(2,722)</u>	<u>231,301</u>

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