

**STUART - NECHAKO REGIONAL
HOSPITAL DISTRICT**

FINANCIAL STATEMENTS

December 31, 2011

RHN SCHMITZ de GRACE

Chartered Accountants

Partners

- Lynn Ross CA
- Norm Hildebrandt BBA, CA
- Allison Twiss BComm, CA

1116 Sixth Avenue
Prince George, BC, V2L 3M6
Tel. (250) 564-2515
Fax (250) 562-8722
E-mail: office@rhngroup.ca

- Denotes professional corporation

INDEPENDENT AUDITORS' REPORT

To the Directors of Stuart – Nechako Regional Hospital District

We have audited the accompanying financial statements of the Stuart – Nechako Regional Hospital District, which comprise the statement of financial position as at December 31, 2011, and the statements of financial activities, and of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted 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.

Auditor's Responsibility

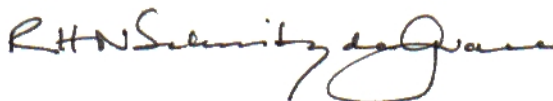
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Stuart – Nechako Regional Hospital District as at December 31, 2011, and its financial performance and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Hospital District Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.



April 16, 2012
Prince George, BC

CHARTERED ACCOUNTANTS

STUART - NECHAKO REGIONAL HOSPITAL DISTRICT

STATEMENT OF FINANCIAL POSITION

December 31, 2011

	<u>2011</u>	<u>2010</u>
FINANCIAL ASSETS		
Cash and temporary investments	\$ 5,298,058	\$ 5,985,296
Accounts receivable	<u>7,480</u>	<u>8,237</u>
	5,305,538	5,993,533
 LIABILITIES		
Accounts payable and accrued liabilities	<u>20,150</u>	<u>21,115</u>
 NET FINANCIAL POSITION	<u>\$ 5,285,388</u>	<u>\$ 5,972,418</u>
 REPRESENTED BY:		
Current funds	\$ 1,273,055	\$ 2,001,489
Reserve funds (Note 4)	<u>4,012,333</u>	<u>3,970,929</u>
	<u>\$ 5,285,388</u>	<u>\$ 5,972,418</u>

Approved By The Board:

Chairperson _____

Treasurer _____

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Chartered Accountants

See notes to the financial statements.

STUART - NECHAKO REGIONAL HOSPITAL DISTRICT

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2011

	2011		2010
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
REVENUE			
Property tax requisition	\$ 1,742,600	\$ 1,742,600	\$ 1,603,646
Donations	250,000	200	57,185
Interest	5,000	63,477	32,873
Grants in lieu of taxes	<u>5,000</u>	<u>10,783</u>	<u>11,687</u>
	<u>2,002,600</u>	<u>1,817,060</u>	<u>1,705,391</u>
EXPENDITURES			
Grants for capital expenditures	4,456,177	2,483,304	417,528
Administration and audit	<u>23,500</u>	<u>20,786</u>	<u>19,630</u>
	<u>4,479,677</u>	<u>2,504,090</u>	<u>437,158</u>
ANNUAL (DEFICIT) SURPLUS	(2,477,077)	(687,030)	1,268,233
FINANCIAL POSITION AT BEGINNING OF THE YEAR	<u>5,972,418</u>	<u>5,972,418</u>	<u>4,704,185</u>
FINANCIAL POSITION AT END OF THE YEAR	<u><u>\$ 3,495,341</u></u>	<u><u>\$ 5,285,388</u></u>	<u><u>\$ 5,972,418</u></u>

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STUART - NECHAKO REGIONAL HOSPITAL DISTRICT

STATEMENT OF CASH FLOW

For the year ended December 31, 2011

	<u>2011</u>	<u>2010</u>
ANNUAL SURPLUS		
Excess (expenditures) revenue for the year	<u>\$ (687,030)</u>	<u>\$ 1,268,233</u>
Changes in non-cash working capital:		
Accounts receivable	757	(4,983)
Accounts payable and accruals	<u>(965)</u>	<u>9,559</u>
	<u>(208)</u>	<u>4,576</u>
(DECREASE) INCREASE DURING THE YEAR	(687,238)	1,272,809
CASH AND TEMPORARY INVESTMENTS AT BEGINNING OF THE YEAR	<u>5,985,296</u>	<u>4,712,487</u>
CASH AND TEMPORARY INVESTMENTS AT END OF YEAR	<u><u>\$ 5,298,058</u></u>	<u><u>\$ 5,985,296</u></u>

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See notes to the financial statements.

STUART-NECHAKO REGIONAL HOSPITAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2011

1. BASIS OF PREPARATION

The Regional Hospital District prepares its financial statements in accordance with Canadian generally accepted accounting principles for government using guidelines developed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

No Schedule of Expenditures by function has been presented because the Regional Hospital District has only one function – providing financing for equipment, renovation and construction of Hospitals and Health Centres.

No Consolidated Statement of Change in Net Debt has been included because the Regional Hospital District does not own non-financial assets. The function of this statement is to reconcile financial and non-financial assets.

2. OPERATIONS

The Regional Hospital District was incorporated in November 1, 1998, and commenced operations on January 1, 1999.

3. INVESTMENTS

Investments are held in Municipal Finance Authority money market funds at varying interest rates throughout the year. The average interest rate for the year was 1.0% (2010 – 1.0%).

4. RESERVE FUNDS

	<u>2011</u>	<u>2010</u>
Opening balance	\$ 3,970,929	\$ 3,896,662
Contributions	200	50,359
Interest	41,204	23,908
Closing balance of funds	<u>\$ 4,012,333</u>	<u>\$ 3,970,929</u>

The reserve funds are intended to provide for the replacement of acute care facilities in the Regional Hospital District.

5. USE OF ESTIMATES

he preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of sales and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

STUART-NECHAKO REGIONAL HOSPITAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2011

6. FINANCIAL INSTRUMENTS

The Regional Hospital District's financial instruments are comprised of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities.

a) Credit Risk

The Regional Hospital District does not issue credit in the normal course of doing business. Credit risk is minimal.

b) Interest Rate Risk

The Regional Hospital District is exposed to interest rate risk from fluctuating interest rates on investments.

c) Fair Value

The fair value of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities is approximately equal to their carrying value due to their short-term maturities.

7. BUDGET

The budget figures presented for comparative purposes were not subject to audit procedures. These figures were extracted from the 2011 final budget, adopted in March 2011.