Financial Statements of

NORTHERN HEALTH AUTHORITY

Year ended March 31, 2006

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AUDITORS' REPORT TO THE DIRECTORS OF THE NORTHERN HEALTH AUTHORITY

We have audited the statement of financial position of the Northern Health 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. 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 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 our 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.

KPMG LLP

Chartered Accountants

Prince George, Canada
May 21, 2006

NORTHERN HEALTH AUTHORITY
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NORTHERN HEALTH AUTHORITY

Statement of Financial Position

March 31, 2006, with comparative figures for 2005

	2006	2005
Assets		
Current assets:		
Cash and short-term investments	$ 49,503,963	$ 63,852,999
Accounts receivable (note 2)	42,652,991	22,968,369
Inventories	6,610,325	5,925,432
Prepaid expenses	1,640,281	699,581
	100,407,560	93,446,381
Restricted cash and term deposits (note 7)	2,878,072	2,849,069
Capital assets (note 3)	326,099,172	300,356,859
	$ 429,384,804	$ 396,652,309

	2006	2005

Liabilities, Deferred Capital Contributions and Net Assets

	2006	2005
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	$ 74,706,608	$ 56,198,542
Deferred revenue	13,760,608	27,890,710
Current portion of long-term debt (note 5)	785,644	738,568
	89,252,860	84,827,820
Long-term liabilities:		
Long-term debt (note 5)	21,153,639	21,935,577
Accrued sick and severance liabilities (note 6)	24,796,781	22,956,616
	45,950,420	44,892,193
Deferred capital contributions (note 8)	310,360,278	283,420,214
Net assets (deficiency):		
Investment in capital assets (note 9)	(1,667,452)	1,233,952
Externally restricted (note 7)	2,878,072	2,849,070
Unrestricted	(17,389,374)	(20,570,940)
	(16,178,754)	(16,487,918)
Contingent liabilities (note 10)		
Commitments (note 11)		
	$ 429,384,804	$ 396,652,309

See accompanying notes to financial statements.

On behalf of the Authority:

Jeff B. Lidl ______________________ Director

______________________ Director

NORTHERN HEALTH AUTHORITY

Statement of Operations

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Revenue:		
Grants from the Ministry of Health Services	$ 376,857,345	$ 332,525,719
Other contributions	70,251,817	67,022,860
Patient/Client revenues	19,664,939	18,346,034
Investment income	1,587,711	1,081,616
Other revenues	19,352,849	15,106,382
Amortization of deferred capital contributions	28,622,087	23,264,628
	516,336,748	457,347,239
Expenses:		
Compensation and benefits	355,536,645	320,129,111
Supplies	62,948,291	53,210,475
Sundry	20,612,907	17,578,805
Equipment and building services	13,474,140	12,996,286
Referred-out/contracted services	30,579,607	27,428,143
Interest on long-term debt	1,381,505	1,420,521
Amortization of capital assets	31,523,491	24,474,579
	516,056,586	457,237,920
Excess of revenues over expenses	$ 280,162	$ 109,319

See accompanying notes to financial statements.

NORTHERN HEALTH AUTHORITY

Statement of Changes in Net Assets

Year ended March 31, 2006, with comparative figures for 2005

	Investment (deficiency) in Capital Assets	Externally Restricted	Internally Restricted	Unrestricted	2006 Net Assets	2005 Net Assets
Balance, beginning of year	$ 1,233,952	$ 2,849,070	$ -	$ (20,570,940)	$ (16,487,918)	$ (17,024,645)
Excess (deficiency) of revenue over expenses	(2,901,404)	-	-	3,181,566	280,162	109,319
Restricted contributions	-	29,002	-	-	29,002	427,408
Balance, end of year	$ (1,667,452)	$ 2,878,072	$ -	$ (17,389,374)	$ (16,178,754)	$ (16,487,918)

See accompanying notes to financial statements.

NORTHERN HEALTH AUTHORITY

Statement of Cash Flows

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	$ 280,162	$ 109,319
Add (deduct) items not involving cash:		
Amortization of deferred capital contributions	(28,622,087)	(23,264,628)
Amortization of capital assets	31,523,491	24,474,579
	3,181,566	1,319,270
Change in non-cash operating working capital:		
Accounts receivable	(19,684,622)	(4,101,073)
Inventories	(684,893)	(110,720)
Prepaid expenses	(940,703)	(239,244)
Accounts payable and accrued liabilities	20,348,232	1,038,619
Deferred revenue	(14,130,102)	15,049,904
CMHC reserve	29,003	-
	(15,063,085)	11,637,486
	(11,881,519)	12,956,756
Financing:		
Amounts received for capital asset purchases	55,562,151	30,373,998
Repayment of long-term debt	(734,862)	(692,551)
	54,827,289	29,681,447
Investments:		
Purchase of capital assets	(57,265,803)	(30,982,075)
Increase (decrease) in cash during the year	(14,320,033)	11,656,128
Cash and cash equivalents, beginning of year	66,702,068	55,045,940
Cash and cash equivalents, end of year	$ 52,382,035	$ 66,702,068
Supplemental cash flow information:		
Cash paid for interest on long-term debt	$ 1,381,105	$ 1,420,521

Cash and cash equivalents are comprised of cash, short-term investments and restricted cash

See accompanying notes to financial statements.

The Northern Health Authority was established under the Health Authorities Act and Regulations, to manage the delivery of health care within the Northern Region of the Province of British Columbia.

The Authority is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

(b) Revenue recognition:

The Authority follows the deferral method of accounting for contributions. Under the Health Insurance Act and Regulations thereto, the Authority is funded primarily by the Province of British Columbia in accordance with budget management plans and performance agreements established and approved by the Ministry and the Authority. Operating grants are recorded as revenue in the period to which they relate and the related expenses are incurred. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of property, plant and equipment are deferred and amortized into revenue on the same basis as the related property, plant and equipment are amortized.

(c) Cash and short-term investments:

Cash and short-term investments are comprised of cash and highly liquid investments with original terms to maturity of less than 90 days from the year end date.

(d) Inventories:

Inventories include goods held for resale and goods held for use in day-to-day operations. Inventories are valued at the lower of average cost and net realizable value. Pharmacy inventories are valued on first-in/first-out basis that approximates average costs.

1. Significant accounting policies (continued):

(e) Capital assets:

Purchased capital assets are stated at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life or enhance the service potential of an asset are capitalized. When a capital asset no longer contributes to the Authority's ability to provide services, its carrying amount is written down to its residual value. Amortization is provided on the straight-line basis at the following annual rates and is charged against operations.

Asset	Rate
Buildings	2% - 5%
Building improvements	2.5% - 20%
Computer equipment	10% - 33%
Furniture and equipment	10% - 20%
Land improvements	5% - 20%
Parking lots and improvements	5% - 20%

Construction in progress represents capitalized costs relating to uncompleted improvement projects to buildings and equipment. No amortization is recorded on these costs until the projects are complete and the assets are put in use.

(f) Donated services:

Volunteers contribute their time to assist the Authority in carrying out its service delivery activities. Because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

(g) Compensation expense:

Subject to comments in note 6, compensation expense is accrued for all employees as entitlement to these payments is earned, in accordance with the Authority's benefit plans for vacation, sick leave and retirement allowances.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. Significant accounting policies (continued):

(i) Employee future benefits:

Liabilities, net of plan assets, are recorded for employee sick and severance benefits and multiple-employer defined benefit plans as employees render services to earn the benefits.

The actuarial determination of the accrued benefit obligations uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors). For the purpose of calculating the expected return on plan assets, those assets are valued at fair value. Actuarial gains and losses that exceed 10% of the benefit obligation are amortized over the average remaining service period of active covered employees.

The average remaining service period of the active covered employees entitled to sick and severance benefits is 10 years (2005 - 10 years). The average remaining service period of the active employees covered by the multiple-employer defined benefit plans is 10 years (2005 -10 years). Past service costs arising from plan amendments are deferred and amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

Defined contribution plan accounting is applied to multi-employer defined benefit plans and, accordingly, contributions are expensed.

(j) Asset retirement obligations:

Effective April 1, 2004, the Authority adopted Section 3110 of the CICA Handbook, "Asset Retirement Obligations". This section requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated retirement costs are capitalized as part of the carrying amount of the long-lived assets and depreciated over the life of the asset. At this time, the Authority has determined that there are no significant asset retirement obligations with its assets.

2. Accounts receivable:

	2006	2005
Ministry of Health:		
Operating - general	$ 6,060,959	$ 5,898,332
Capital	5,727,912	5,815,296
Province of B.C. - wage settlement	19,636,522	-
Patient receivables	5,438,416	4,721,565
Other	6,532,378	7,116,995
	43,396,187	23,552,188
Allowance for doubtful accounts	(743,196)	(583,819)
	$ 42,652,991	$ 22,968,369

3. Capital assets:

			2006	2005
	Cost	Accumulated amortization	Net book value	Net book value
Buildings	$366,773,392	$131,059,152	$235,714,240	$239,195,521
Building service equipment	13,730,954	7,310,699	6,420,255	4,750,010
Construction in progress	21,315,508	-	21,315,508	7,329,066
Equipment	226,088,706	167,064,245	59,024,461	45,328,328
Land and improvements	7,650,816	4,026,108	3,624,708	3,753,934
	$635,559,376	$309,460,204	$326,099,172	$300,356,859

4. Accounts payable and accrued liabilities:

	2006	2005
Trade accounts payable and accrued liabilities	$ 34,150,168	$ 30,185,924
Wages and benefits payable	22,991,038	9,609,152
Vacation pay payable	15,503,768	14,322,618
Current portion of accrued sick and severance liabilities	2,061,634	2,080,848
	$ 74,706,608	$ 56,198,542

5. Long-term liabilities

	2006	2005
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of $7,829 including interest at 9.5% locked in until maturity in March 2029. Secured by first mortgage on building (Omineca Lodge).	$ 1,041,797	$ 1,054,185
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of $1,159 including interest at 7.875% locked in until maturity in August 2020. Secured by first mortgage on building (Rainbow).	120,524	124,906
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of $17,917 including interest at 6.44%, maturing May 2019. Secured by first mortgage on building (Parkside).	1,915,004	2,005,135
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of $18,090 including interest at 5.84%, maturing July 2017. Secured by first mortgage on building (Alward Place - Phase I).	1,803,030	1,912,588
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of $17,922 including interest at 5.84%, maturing February 2028. Secured by first mortgage on building (Alward Place - Phase II).	2,567,548	2,632,380
Scotia Bank, mortgage repayable in monthly instalments of $16,350, including interest at 5.3573%, maturing June 1, 2007. Secured by first mortgage on building (Heritage Manor).	2,993,472	3,030,017
HSBC Trust Company, mortgage repayable in monthly installments of $15,181 including interest at 5.51%, renewable May 2007, maturing May 2037. Secured by first mortgage on building (Laurier Manor).	2,729,418	2,761,929
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of $6,994 including interest at 10.375%, maturing February 2029. Secured by first mortgage on building (Bulkley Lodge).	617,849	659,618
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of $12,601 including interest at 5.5%, due January 2016. Secured by first mortgage on building (Acropolis Manor).	1,074,331	1,164,427

5. Long-term liabilities (continued):

	2006	2005
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of $6,518 including interest at 10.375%, due February 2028. Secured by building (NPCC Intermediate Care Facility).	$ 873,653	$ 883,931
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of $16,567 including interest at 6.19%, due April 2017. Secured by building (Peace River Haven).	1,597,755	1,695,602
Canada Mortgage and Housing Corporation, mortgage repayable in monthly installments of $22,150 including interest at 5.77%, due June 2019. Secured by land and building (Terraceview Lodge).	2,467,525	2,588,810
Toronto Dominion, mortgage repayable in monthly instalments of $12,305 including interest at 5.856%, due September 2012, secured by first mortgage on building (McConnell Estates).	2,137,377	2,160,617
	21,939,283	22,674,145
Current portion of long-term debt	785,644	738,568
	$ 21,153,639	$ 21,935,577

Estimated principal payments over the next five years are as follows:

2007	$ 785,644
2008	$ 3,825,655
2009	$ 888,772
2010	$ 945,659
2011	$ 1,006,356

6. Employee future benefits:

(a) Employee sick and severance benefits:

Certain employees with ten or twenty years of service and having reached a certain age are entitled to receive special payments upon retirement or as specified by collective agreements. These payments are based upon accumulated sick leave credits and entitlements for each year of service.

The Authority's liabilities are based on an actuarial valuation as at December 31, 2003 updated to March 31, 2006. The next required valuation will be as of December 31, 2006.

Information about employee sick and severance benefits is as follows:

	2006	2005
Accrued benefit obligation:		
Sick leave benefits	$ 11,088,725	$ 10,145,334
Severance benefits	15,095,207	14,136,962
Total unfunded obligation	26,183,932	24,282,296
Balance of unamortized amounts	674,483	755,168
Accrued sick and severance liabilities	$ 26,858,415	$ 25,037,464

The amounts recorded in the financial statements are as follows:

	2006	2005
Accrued sick and severance liabilities:		
Current portion (note 4)	$ 2,061,634	$ 2,080,848
Long-term portion	24,796,781	22,956,616
	$ 26,858,415	$ 25,037,464

	2006	2005
Sick and severance plan expense	$ 3,152,084	$ 2,992,023
Benefits paid	$ 1,357,271	$ 1,420,422

6. Employee future benefits (continued):

The amount recorded as a liability by the Authority in the amount of $26,858,415 differs from the actuarially determined accrued benefit obligation of $26,183,932 due to the amortization of prior years experience gains and losses taken into account in the determination of the accrued benefit obligation.

The significant actuarial assumptions adopted in measuring the Authority's accrued sick and severance liabilities are as follows:

	2006	2005
Accrued benefit obligation as at March 31:		
Discount rate	5.00 %	5.50 %
Rate of compensation increase	3.25 %	3.25 %
Benefit costs of years ended March 31:		
Discount rate	5.50 %	5.75 %
Rate of compensation increase	3.25 %	3.25 %

(b) Employee healthcare benefits:

The Healthcare Benefit Trust (the "Trust") administers long-term disability, group life insurance, accidental death and dismemberment, extended health and dental claims for certain employee groups of the Authority and other provincially funded organizations.

Effective March 31, 2004, the Trust was restructured from a multi-employer to a multiple-employer plan only with respect to long-term disability benefits initiated after September 30, 1997 and for extended health and dental benefits initiated after March 31, 2004. The Authority's assets and liabilities for these long-term disability, extended health and dental benefits have been segregated. Accordingly, the Authority's net liabilities are reflected in these financial statements.

The Authority's liabilities are based on an actuarial valuation using an early measurement date of December 31, 2005. The next required valuation will be as of December 31, 2006.

6. Employee future benefits (continued):

(b) Employee healthcare benefits (continued):

Plan assets consist of:

	2006	2005
Debt securities	51 %	45 %
Equity securities	49 %	55 %
Total	100 %	100 %

Information about the employee long-term disability, extended health and dental benefits is as follows:

	2006	2005
Accrued benefit obligation	$ 19,937,000	$ 18,411,000
Fair value of plan assets	19,472,000	18,973,000
Net asset (unfunded obligation)	(465,000)	562,000
Balance of unamortized amounts	(1,310,000)	(2,828,000)
Contributions to the plan during January to March	2,393,000	2,633,000
Accrued long-term asset	$ 618,000	$ 367,000

	2006	2005
Long-term disability, extended health and dental plan expense	$ 9,366,000	$ 10,455,000
Benefits and administrative expenses paid	$ 10,999,000	$ 8,212,000

6. Employee future benefits (continued):

The significant actuarial assumptions adopted in measuring the Authority's accrued long-term disability, extended health and dental liabilities are as follows:

	2006	2005
Accrued benefit obligation as at March 31:		
Discount rate	5.00 %	6.00 %
Rate of benefit increase	2.50 %	1.50 %
Benefit cost for years ended March 31:		
Discount rate	6.00 %	7.50 %
Expected long-term rate of return on plan assets	7.50 %	7.50 %
Rate of benefit increase	2.50 %	1.50 %

The group life insurance, accidental death and dismemberment, pre-October 1, 1997 long-term disability claims administered by the Trust continue to be structured as a multi-employer plan. The most recent actuarial valuation for the plan at December 31, 2005 indicated a surplus of $4,751,000. The plan covers approximately 73,200 active employees of which approximately 3,200 are employees of the Authority. The next required valuation will be as of December 31, 2006.

While the Trust has been restructured, the Authority and all other participating employers continue to be responsible for the liabilities of the Trust should any participating employers be unable to meet their obligation to contribute to the Trust.

(c) Employee pension benefits:

The Authority and its employees contribute to the Municipal Pension Plan and the Public Service Pension Plan, multi-employer defined benefit pension plans governed by the BC Public Sector Pension Plans Act.

Employer contributions to the Municipal Pension Plan of $13,757,064 (2005 - $11,710,538) were expensed during the year. The most recent actuarial valuation for the plan at December 31, 2003 indicated an unfunded liability of $789,000,000. The plan covers approximately 130,000 active employees of which approximately 4,550 are employees of the Authority. The next required valuation will be as of December 31, 2006.

6. Employee future benefits (continued):

(c) Employee pension benefits (continued):

Employer contributions to the Public Service Pension Plan of $595,556 (2005 - $630,739) were expensed during the year. The most recent actuarial valuation for the plan at March 31, 2005 indicated an unfunded liability of $767,000,000. The plan covers approximately 51,000 active employees of which approximately 168 are employees of the Authority. The next required valuation will be as of March 31, 2008.

7. Replacement reserves:

Substantially all the restricted cash and term deposits relate to replacement reserves required by the Canada Mortgage and Housing Corporation ("CMHC"). Under the terms of the agreements with CMHC, the Authority must maintain designated replacement reserve funds, along with accumulated interest thereon, in a separate account and/or invested in securities acceptable to CMHC. The funds in the account may only be used as approved by CMHC and are recorded as externally restricted net assets.

8. Deferred capital contributions:

Deferred capital contributions represent the unamortized and unspent amount of grants and donations received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations on the same basis as the related assets are amortized.

	2006	2005
Balance, beginning of year	$283,420,214	$276,310,802
Add capital funding receipts:		
Ministry of Health	45,010,417	20,884,733
Other	10,551,734	9,489,307
	338,982,365	306,684,842
Less amortization for the year	28,622,087	23,264,628
Balance, end of year	$310,360,278	$283,420,214

8. Deferred capital contributions (continued):

Deferred capital contributions are comprised of:

	2006	2005
Unamortized deferred capital contributions	$302,851,837	$273,692,111
Unspent portion of deferred capital contributions	7,508,441	9,728,103
	$310,360,278	$283,420,214

9. Investment (deficiency) in capital assets:

(a) Investment (deficiency) in capital assets is calculated as follows:

	2006	2005
Capital assets	$ 326,099,172	$ 300,356,860
Amounts financed by:		
Deferred contributions	(302,851,837)	(273,692,111)
Accounts payable and accrued liabilities, net	(2,975,504)	(2,756,652)
Long-term debt	(21,939,283)	(22,674,145)
	$ (1,667,452)	$ 1,233,952

(b) Change in net assets invested in capital assets is calculated as follows:

	2006	2005
Excess (deficiency) of revenue over expenses:		
Amortization of deferred contributions related to capital assets	$ 28,622,087	$ 23,264,628
Amortization of capital assets	(31,523,491)	(24,474,579)
	$ (2,901,404)	$ (1,209,951)
Financing of capital assets:		
Purchase of capital assets, net	$ 57,265,803	$ 30,982,075
Amounts funded by deferred contributions	$ (57,265,803)	$ (30,074,640)
Repayment of long-term debt	$ 734,862	$ 720,675

10. Contingent liabilities:

(a) Litigation and claims:

The nature of the Authority's activities is such that there is usually litigation pending or in progress at any time. With respect to claims at March 31, 2006, management believes the Authority has valid defences and appropriate insurance coverages in place. In the event any claims are successful, management believes that such claims will not have a material effect on the Authority's financial position.

(b) Risk management:

Risk management and insurance services for all Health Authorities in British Columbia are provided by the Health Care Protection Program in the Risk Management Branch of the Ministry of Health.

11. Commitments:

(i) Operating Leases:

The aggregate minimum future annual rentals under operating leases are as follows:

2007	$ 3,985,068
2008	$ 4,144,471
2009	$ 4,310,249
2010	$ 4,482,658
2011	$ 4,661,964

(ii) The Authority has started significant upgrades to certain clinical information systems over the next 3 to 5 years at an estimated cost of approximately $24.0 million of which $10.5 million has been spent.

12. Economic interest:

(a) The Authority is supported by numerous foundations and auxiliaries incorporated under the Society Act (British Columbia) and registered as charities under the Income Tax Act. The Authority has an economic interest in these foundations and auxiliaries as their purpose is to raise funds in the communities to further the interest and objectives of the facilities they support within the Authority. Although there is no common control of the organizations through Board appointments or other forms of control, these foundations and auxiliaries are related to the Authority by virtue of holding resources which are to be used to produce revenue or provide services for the Authority. The net assets and results of operations of the foundations and auxiliaries are not included in the Authority's financial statements. During 2006 an amount of approximately $1,364,068 was contributed to the Authority (2005 - $1,957,160).

(b) Regional Hospital Districts, through various local governments within the Authority's area, levy property taxes for purposes of funding global capital projects of the Authority. During 2006, these Regional Hospital Districts contributed a total of approximately $8,696,050 to the Authority (2005 - $6,426,955).

13. Financial instruments:

The Authority's financial instruments consist of cash and short-term investments, accounts receivable, restricted cash and term deposits, accounts payable and accrued liabilities, deferred revenue, accrued sick and severance allowance and long-term debt. With the exceptions of accrued sick and severance allowance and long-term debt, the fair value of these financial instruments approximate their carrying value due to the relatively short period to maturity of the instruments. The fair value of the Authority's long-term debt approximates carrying value as the fixed rates of interest approximate interest rates for similar instruments at the financial statement date. The fair value of the accrued sick and severance allowance and the Healthcare Benefit Trust liability is disclosed in note 6. Unless otherwise noted, it is management's opinion there are no significant currency, credit or interest rate risks arising from these financial instruments.

14. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.