

**SKEENA-QUEEN CHARLOTTE REGIONAL
HOSPITAL DISTRICT**

FINANCIAL STATEMENTS

DECEMBER 31, 2005

**SKEENA-QUEEN CHARLOTTE REGIONAL
HOSPITAL DISTRICT**

INDEX TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

AUDIT REPORT

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL ACTIVITIES

NOTES

**AUDIT REPORT
TO THE BOARD OF DIRECTORS**

We have audited the statement of financial position of the Skeena-Queen Charlotte Regional Hospital District as at December 31, 2005 and the statement of financial activities for the year then ended. These financial statements are the responsibility of the Hospital District's management. Our responsibility is to express an opinion on these financial statements based on the audit.

We conducted the audit in accordance with Canadian generally accepted auditing standards. These 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 Regional Hospital District as at December 31, 2005 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles for Regional Hospital Districts in the Province of British Columbia, and that these principles have been applied on a basis consistent with that of the preceding year.

Prince Rupert, BC
March 8, 2006

Carlyle Shepherd : Co.

CARLYLE SHEPHERD & CO.
CHARTERED ACCOUNTANTS




SKEENA-QUEEN CHARLOTTE REGIONAL HOSPITAL DISTRICT

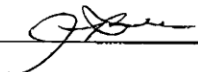
STATEMENT OF FINANCIAL POSITION

DECEMBER 31

	2005	2004
	\$	\$
FINANCIAL ASSETS		
Cash	3 259	7 644
Accounts receivable	77 700	62 973
MFA deposit	<u>24 219</u>	<u>23 190</u>
	<u>105 178</u>	<u>93 807</u>
FINANCIAL LIABILITIES		
Bank loan	35 000	-
Accounts payable and accruals	54 463	41 149
MFA Debt Reserve Fund	24 219	23 190
Long-term debt	<u>950 106</u>	<u>1 063 784</u>
	<u>1 063 788</u>	<u>1 128 123</u>
NET FINANCIAL ASSETS/LIABILITIES	-958 610	-1 034 316
FUTURE REVENUE REQUIREMENT FROM TAXPAYERS	<u>950 106</u>	<u>1 063 784</u>
REGIONAL HOSPITAL DISTRICT POSITION	<u>-8 504</u>	<u>29 468</u>

APPROVED BY THE BOARD


 _____ Chairperson


 _____ Treasurer

CARLYLE SHEPHERD & CO.
 CHARTERED ACCOUNTANTS



SKEENA-QUEEN CHARLOTTE REGIONAL HOSPITAL DISTRICT

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED DECEMBER 31

	Actual 2005	Budget 2005	Actual 2004
	\$	\$	\$
REVENUE			
Tax requisition	190 687	190 687	209 921
Grants in lieu of taxes	9 591	11 500	11 958
Interest and other	<u>262</u>	<u>4 500</u>	<u>5 346</u>
	<u>200 540</u>	<u>206 687</u>	<u>227 225</u>
 EXPENDITURE			
Debenture debt			
Interest	155 236	155 238	151 392
Principal	75 916	75 917	70 734
Short term interest	1 484	-	3 685
Administration	<u>5 876</u>	<u>5 000</u>	<u>5 813</u>
	<u>238 512</u>	<u>236 155</u>	<u>231 624</u>
 NET CHANGE IN FINANCIAL ACTIVITIES	 -37 972	 -29 468	 -4 399
 OPENING POSITION	 <u>29 468</u>	 <u>29 468</u>	 <u>33 867</u>
 CLOSING POSITION	 <u>-8 504</u>	 <u>-</u>	 <u>29 468</u>

SKEENA-QUEEN CHARLOTTE REGIONAL HOSPITAL DISTRICT

NOTES

DECEMBER 31, 2005

1. SIGNIFICANT ACCOUNTING POLICIES

The Regional Hospital District has adopted the reporting format from the recommendations by the Public Sector Accounting and Auditing Board.

A statement of cash flows has not been prepared as management has deemed it is not useful for its purposes.

2. BANK LOAN

Royal Bank of Canada, interest at prime per annum.

3. LONG-TERM DEBT

Debenture debt is with Municipal Finance Authority and is being repaid in accordance with approved bylaws.

4. OPERATIONS

The Ministry of Health stipulated that effective December 31, 1995, the Regional Hospital District will not undertake new projects and will cease once long-term debt is repaid.