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SKEENA-QUEEN CHARLOTTE REGIONAL
HOSPITAL DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2006

CARLYLE SHEPHERD & CO.
CHARTERED ACCOUNTANTS



**SKEENA-QUEEN CHARLOTTE REGIONAL
HOSPITAL DISTRICT**

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DECEMBER 31, 2006

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**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, 2006 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, 2006 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
February 27, 2007

Carlyle Shepherd : Co.

CARLYLE SHEPHERD & CO.
CHARTERED ACCOUNTANTS




SKEENA-QUEEN CHARLOTTE REGIONAL HOSPITAL DISTRICT

STATEMENT OF FINANCIAL POSITION

DECEMBER 31

	2006	2005
	\$	\$
FINANCIAL ASSETS		
Cash	1 782	3 259
Accounts receivable	76 827	77 700
MFA deposit	<u>25 327</u>	<u>24 219</u>
	<u>103 936</u>	<u>105 178</u>
FINANCIAL LIABILITIES		
Bank loan	45 000	35 000
Accounts payable and accruals	36 149	54 463
MFA Debt Reserve Fund	25 327	24 219
Long-term debt	<u>830 877</u>	<u>950 106</u>
	<u>937 353</u>	<u>1 063 788</u>
NET FINANCIAL ASSETS/LIABILITIES	-833 417	-958 610
FUTURE REVENUE REQUIREMENT FROM TAXPAYERS	<u>830 877</u>	<u>950 106</u>
REGIONAL HOSPITAL DISTRICT POSITION	<u>-2 540</u>	<u>-8 504</u>

APPROVED BY THE BOARD


 _____ Chairperson


 _____ Treasurer INTERIM ADMINISTRATOR

CARLYLE SHEPHERD & CO.
 CHARTERED ACCOUNTANTS



SKEENA-QUEEN CHARLOTTE REGIONAL HOSPITAL DISTRICT

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED DECEMBER 31

	Actual 2006	Budget 2006	Actual 2005
	\$	\$	\$
REVENUE			
Tax requisition	231 175	233 161	190 687
Grants in lieu of taxes	11 662	9 500	9 591
Interest and other	<u>101</u>	<u>2 000</u>	<u>262</u>
	<u>242 938</u>	<u>244 661</u>	<u>200 540</u>
EXPENDITURE			
Debenture debt			
Interest	155 238	155 238	155 236
Principal	75 916	75 919	75 916
Short term interest	4 993	-	1 484
Administration	<u>827</u>	<u>5 000</u>	<u>5 876</u>
	<u>236 974</u>	<u>236 157</u>	<u>238 512</u>
NET CHANGE IN FINANCIAL ACTIVITIES	5 964	8 504	-37 972
OPENING POSITION	<u>-8 504</u>	<u>-8 504</u>	<u>29 468</u>
CLOSING POSITION	<u>-2 540</u>	<u>-</u>	<u>-8 504</u>

SKEENA-QUEEN CHARLOTTE REGIONAL HOSPITAL DISTRICT

NOTES

DECEMBER 31, 2006

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.

Revenue and expenditures are reported on an accrual basis.

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

The Regional Hospital District's financial instruments consist of cash, accounts receivable, accounts payable and accruals and long-term debt. Unless otherwise noted, it is management's opinion that the Regional Hospital District is not exposed to significant interest, currency or credit risk arising from these financial instruments.

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.