

**SCHOOL DISTRICT**  
**AUDITED FINANCIAL STATEMENTS**  
**FISCAL YEAR 2005/2006**

SCHOOL DISTRICT NUMBER 87	NAME OF SCHOOL DISTRICT Stikine	YEAR 2005/2006
OFFICE LOCATION Commercial Drive and Stikine Street		TELEPHONE NUMBER 250-771-4440
CITY / PROVINCE Dease Lake, BC		POSTAL CODE V0C 1L0
WEBSITE ADDRESS <a href="http://www.sd87.bc.ca">http://www.sd87.bc.ca</a>		
NAME OF SUPERINTENDENT Denise P. Perry		NAME OF SECRETARY - TREASURER Ken A Mackie

**DECLARATION AND SIGNATURES**

**SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements and supporting schedules of The Board of School Trustees of School District No. 87 (Stikine) ("the Board") have been prepared by school district management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles for not-for-profit organizations.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school district's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that the accounting records may be relied upon to properly reflect the school district's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**The Board's Responsibility**

The ultimate responsibility for the financial statements lies with the Board. The Board has reviewed and approved the financial statements.

**External Auditors**

The Board appoints external auditors to audit the financial statements. The external auditors have full and free access to school district records, and present their report to the Board.

**Declaration of Management and Board Chairperson**

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position, revenue and expense and cash flows for the year in accordance with generally accepted accounting principles for not-for-profit organizations.

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements of School District No. 87 (Stikine) for the year ended June 30, 2006.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES	DATE SIGNED
SIGNATURE OF SUPERINTENDENT	DATE SIGNED
SIGNATURE OF SECRETARY - TREASURER	DATE SIGNED

## AUDITOR'S REPORT

We have audited the following financial statements and supporting schedules of School District No. 87 (Stikine) as at June 30, 2006 and for the year then ended:

### Financial Statements

- Statement 1 Statement of Financial Position
- Statement 2 Statement of Revenue and Expense
- Statement 3 Statement of Changes in Fund Balances
- Statement 4 Statement of Cash Flows

### Supporting Schedules

#### Operating Fund

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- Schedule A2 Comparative Schedule of Revenue by Source
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These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on the audit.

We conducted our 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 School District as at June 30, 2006 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements. These principles have been applied on a basis consistent with that of the preceding year.

Terrace, BC  
August 2, 2006



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CARLYLE SHEPHERD & CO.  
CHARTERED ACCOUNTANTS

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**SCHOOL DISTRICT NO. 87 (Stikine)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2006**

**Statement 1**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>ASSETS</b>					
Current Assets					
Cash	2,411,960	22,514		2,434,474	1,785,721
Short Term Investments				0	0
Accounts Receivable					
Due from Province - Ministry of Education	83,110			83,110	0
Due from Province - Other	207,052			207,052	0
Due from LEA / Direct Funding	203,959			203,959	369,031
Other Receivables	46,660			46,660	50,112
Interfund Loans		597,738			
Inventories				0	0
Prepaid Expenses	6,317			6,317	15,428
	2,959,058	620,252	0	2,981,572	2,220,292
Investments				0	0
Equity Investments				0	0
Capital Assets - Net			9,645,960	9,645,960	9,701,121
<b>TOTAL ASSETS</b>	2,959,058	620,252	9,645,960	12,627,532	11,921,413
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities					
Bank Overdraft				0	0
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education	991,507			991,507	783,000
Due to Province - Other				0	0
Other	673,679			673,679	507,719
Bank Loans			75,000	75,000	75,000
Interfund Loans	597,738				
Other Current Liabilities				0	0
	2,262,924	0	75,000	1,740,186	1,365,719
Deferred Contributions					
Ministry of Education	183,563	596,635		780,198	705,505
Province - Other	5,050			5,050	8,254
Other	3,435	23,617		27,052	50,875
Accrued Employee Future Benefits	2,836			2,836	54,960
Deferred Capital Contributions			8,439,137	8,439,137	8,847,894
Bank Loans			812,258	812,258	885,658
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
<b>TOTAL LIABILITIES</b>	2,457,808	620,252	9,326,395	11,806,717	11,918,865
Fund Balances					
Invested in Capital Assets			319,565	319,565	(107,431)
Endowment				0	0
Internally Restricted	364,641			364,641	50,142
Unrestricted	136,609			136,609	59,837
Unfunded Accrued Employee Future Benefits and Vacation Pay				0	0
<b>TOTAL FUND BALANCES</b>	501,250	0	319,565	820,815	2,548
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	2,959,058	620,252	9,645,960	12,627,532	11,921,413

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**STATEMENT OF REVENUE AND EXPENSE**  
**YEAR ENDED JUNE 30, 2006**

**Statement 2**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	4,367,259	326,235		4,693,494	4,505,274
Provincial Grants - Other	313,499			313,499	75,570
Federal Grants	3,682			3,682	0
Other Revenue	1,635,216	101,889		1,737,105	1,851,734
Rentals and Leases	177,365			177,365	160,792
Investment Income	43,996	10,748		54,744	43,134
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			408,757	408,757	417,278
Gain (Loss) on Disposal of Capital Assets				0	0
	6,541,017	438,872	408,757	7,388,646	7,053,782
<b>EXPENSE</b>					
Salaries					
Teachers	1,445,288			1,445,288	1,526,980
Principals and Vice Principals	324,652			324,652	610,463
Educational Assistants	418,924			418,924	497,716
Support Staff	599,465	13,605		613,070	603,031
Other Professionals	420,492			420,492	458,876
Substitutes	170,744			170,744	166,103
	3,379,565	13,605	0	3,393,170	3,863,169
Employee Benefits	797,554	2,740		800,294	969,371
Services and Supplies	1,832,573	135,978		1,968,551	1,909,383
Amortization of Capital Assets			408,364	408,364	433,816
Write-off/down of Buildings and Sites				0	0
	6,009,692	152,323	408,364	6,570,379	7,175,739
<b>NET REVENUE (EXPENSE)</b>	531,325	286,549	393	818,267	(121,957)

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2006**

**Statement 3**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>FUND BALANCES, BEGINNING OF YEAR</b>	109,979	0	(107,431)	2,548	12,890,853
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>					
Accrued Employee Future Benefits				0	0
Accrued Vacation Pay				0	0
Accumulated Amortization of Capital Assets				0	(12,766,348)
Transfer Land Capital Reserve to Deferred Contributions				0	0
Transfer Capital Reserve to Deferred Contributions				0	0
School-Generated Funds				0	0
Related Entities				0	0
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	109,979	0	(107,431)	2,548	124,505
<b>Changes for the Year</b>					
Net Revenue (Expense) for the Year	531,325	286,549	393	818,267	(121,957)
Interfund Transfers					
Capital Assets Purchased	(66,654)	(286,549)	353,203	0	0
Local Capital				0	0
Other	(73,400)		73,400	0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases				0	0
Comprehensive Income (Loss)				0	0
<b>Net Changes for the Year</b>	391,271	0	426,996	818,267	(121,957)
<b>FUND BALANCES, END OF YEAR</b>	501,250	0	319,565	820,815	2,548

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2006**

**Statement 4.1**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>CASH PROVIDED BY (USED FOR)</b>					
<b>OPERATIONS</b>					
Net Revenue (Expense) for the Year	531,325	286,549	393	818,267	(121,957)
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(121,638)			(121,638)	(30,895)
Interfund Loans	(42,697)	42,697		0	0
Inventories				0	0
Prepaid Expenses	9,111			9,111	(5,036)
Increase (Decrease)					
Allowance for Doubtful Accounts				0	0
Accounts Payable/Accrued Liabilities	374,467			374,467	57,566
Other Current Liabilities				0	0
Deferred Contributions	93,694	(46,028)		47,666	297,016
Accrued Employee Future Benefits	(52,124)			(52,124)	(405,350)
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	0
Items Not Involving Cash					
Amortization of Capital Assets			408,364	408,364	433,816
Amortization of Deferred Capital Contributions			(408,757)	(408,757)	(417,278)
Accounting Change - Accrued EFB				0	0
Accounting Change - Accrued Vacation Pay				0	0
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Interfund Transfers	(140,054)	(286,549)	426,603	0	0
	652,084	(3,331)	426,603	1,075,356	(192,118)
<b>FINANCING</b>					
Bank Loan Received				0	0
Bank Loan Paid			(73,400)	(73,400)	(70,210)
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital				0	0
Proceeds from Disposal of Capital Assets				0	0
MEd Restricted Portion of Proceeds on Disposal				0	0
	0	0	(73,400)	(73,400)	(70,210)
<b>INVESTING</b>					
Capital Assets Purchased - Operating			(66,654)	(66,654)	(4,943)
Capital Assets Purchased - Special Purpose			(286,549)	(286,549)	(32,088)
Capital Assets Purchased - Local Capital				0	0
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	0	0	(353,203)	(353,203)	(37,031)
<b>Net Increase (Decrease) in Cash</b>	652,084	(3,331)	0	648,753	(299,359)

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2006**

**Statement 4.2**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>NET INCREASE (DECREASE) IN CASH</b>	652,084	(3,331)	0	648,753	(299,359)
<b>Net Cash, Beginning of Year</b>	1,759,876	25,845	0	1,785,721	2,043,023
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>					
School Generated Funds					42,057
<b>Net Cash, Beginning of Year, as Restated</b>	1,759,876	25,845	0	1,785,721	2,085,080
<b>NET CASH, END OF YEAR</b>	2,411,960	22,514	0	2,434,474	1,785,721
Cash	2,411,960	22,514		2,434,474	1,785,721
Short Term Investments				0	0
Bank Overdraft				0	0
<b>NET CASH, END OF YEAR</b>	2,411,960	22,514	0	2,434,474	1,785,721

**SCHOOL DISTRICT NO. 87 (STIKINE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2006**

**NOTE 1            AUTHORITY AND PURPOSE**

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of School Trustees of School District No. 87 (Stikine)", and operates as "School District No. 87 (Stikine)." A board of school trustees (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

**NOTE 2            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES**

These financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. These principles are consistent with those used in prior years except as disclosed as a change in accounting policy.

The deferral method of accounting for contributions, which includes government grants, is used. Results are reported in the operating fund, special purpose funds and capital fund. Revenues and expenses are recorded on a gross and accrual basis.

Statement 2 (Statement of Revenue and Expense), Statement 3 (Statement of Changes in Fund Balances) and Statement 4 (Statement of Cash Flows) present annual results of each fund, changes in fund balances and cash flows for the year. Statement 1 (Statement of Financial Position) presents the assets, liabilities and fund balances. Interfund transfers and loans are recognized in each fund and eliminated in the consolidated totals.

a) Fund Accounting

Fund accounting procedures recognize external restrictions on the use of contributions by governments or other granting agencies, and appropriations or other internal restrictions by the Board. While separate accounts are maintained for each fund, for financial reporting purposes, funds with similar characteristics are grouped together:

- Operating fund reports assets, liabilities, revenues and expenses for general operations.
- Special purpose funds report assets, liabilities, revenues and expenses for:
  - Contributions restricted in use by the *School Act* or Ministry of Education.
  - Contributions restricted in use by other external bodies.
  - Funds collected and used at the school level (i.e. school-generated funds).
- Capital fund reports assets, liabilities, revenues and expenses for capital. Contributions of other funds used for capital purposes are transferred to the capital fund.

**SCHOOL DISTRICT NO. 87 (STIKINE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2006**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)**

b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts. (see Note 3)

c) Capital Assets

The following criteria apply:

- Capital assets acquired or constructed are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings that no longer contribute to the ability of the district to provide services are written-down to residual value.
- Buildings that are demolished or destroyed are written-off.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset and commences the year following acquisition. Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

c) Revenue Recognition

Unrestricted operating government grants, are recognized as revenue when received. Such grants, if contributed for a future period, are deferred and reported as deferred contributions until that future period. Other unrestricted revenue, including tuition fees and sales of services/products are reported as revenue when services are provided or products delivered.

Externally restricted contributions, grants, and donations are reported as revenue depending on the nature of restrictions imposed on the use of the funds by the contributors:

- Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
- Contributions restricted for capital purposes are recorded as deferred contributions until the amount is invested in capital assets.
  - If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.
  - If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset. Amortization commences in the year following acquisition.
  - Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.

**SCHOOL DISTRICT NO. 87 (STIKINE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2006**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)**

d) Expenditures

- Categories of Salaries
  - Principals, Vice Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice Principals.
  - Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.
  
- Allocation of Costs
  - Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to regular programs.
  - Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
  - Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
  - Supplies and services are allocated based on actual identification of program.

e) Financial Instruments

Financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and other current liabilities. It is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

f) Use of Estimates

Preparation of financial statements requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the impairment of assets, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

**SCHOOL DISTRICT NO. 87 (STIKINE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2006**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)**

g) Employee Future Benefits

The School District provides certain post-employment benefits including accumulated sick and vacation pay and retirement allowance for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs under employee future benefit plans. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, termination and retirement rates and mortality. The discount rate used to measure obligations is based on market rates at the measurement date.

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan. The EARSL for employees of the School District is 16.9.

For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

**NOTE 3      ACCOUNTS RECEIVABLE - OTHER RECEIVABLES**

	2006	2005
Due from Federal Government	\$25,281	\$18,650
Other	\$21,379	\$31,462
	\$46,660	\$50,112

**SCHOOL DISTRICT NO. 87 (STIKINE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2006**

**NOTE 4 CAPITAL ASSETS**

	2006		2005	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$1,763,718	\$0	\$1,763,718	\$1,763,718
Buildings	19,195,533	11,639,272	7,556,261	7,618,096
Furniture and Equipment	378,027	202,008	176,019	213,822
Vehicles	241,867	103,059	138,808	89,675
Computer Software	0	0	0	0
Computer Hardware	23,278	12,124	11,154	15,810
	<u>\$21,602,423</u>	<u>\$11,956,463</u>	<u>\$9,645,960</u>	<u>\$9,701,121</u>

**NOTE 5 CAPITAL BANK LOANS PAYABLE**

The following loans approved under Section 144 of the *School Act* are outstanding:

Approval Date	Year Borrowed	Interest Rate	Term of Years	Amount Borrowed	Amount Paid	Balance O/S
Renewed	2003	4.45	15	1,064,750	177,492	\$ 887,258

**NOTE 6 EMPLOYEE FUTURE BENEFITS**

The accrued benefit obligation for employee future benefits is not funded as funding is provided when the benefits are paid. Accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and Vacation Pay on Statement 1 (Statement of Financial Position).

The period of amortization is equal to the expected average remaining service lifetime (EARSL) of active employees.

	2006	2005
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1 (2005 – July 1)	\$ 54,288	\$ 442,507
Service Cost	532	68,912
Interest Cost	173	28,888
Benefit Payments	(54,243)	(19,401)
Decrease in Obligation due to Curtailment	0	(467,907)
Actuarial (Gain)/Loss	514	1,289
Accrued Benefit Obligation – March 31	<u>\$ 3,264</u>	<u>\$ 54,288</u>

**SCHOOL DISTRICT NO. 87 (STIKINE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2006**

**Reconciliation of Funded Status at End of Fiscal Year**

Accrued Benefit Obligation – March 31	\$ 3,264	\$ 54,288
Market Value of Plan Assets – March 31	0	0
Funded Status - Surplus/(Deficit)	(3,264)	(54,288)
Employer Contributions After Measurement Date	0	0
Unamortized Net Actuarial (Gain)/Loss	428	(86)
Accrued Benefit Asset/(Liability) – June 30	\$ (2,836)	\$ (54,374)

**Components of Net Benefit Expense**

Service Cost	\$ 532	\$ 68,912
Interest Cost	173	28,888
Curtailement Gain	0	(466,532)
Amortization of Net Actuarial (Gain)/Loss	0	0
Net Benefit Expense (Income)	\$ 705	\$ (368,732)

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:

Discount Rate – April 1 (2005 – July 1)	5.50%	5.75%
Discount Rate – March 31	5.25%	5.50%
Salary Growth – April 1 (2005 – July 1)	3.25% + seniority	3.25% + seniority
Salary Growth – March 31	3.25% + seniority	3.25% + seniority
EARSL	16.9	16.9

**NOTE 7 EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 23,000 retired members from school districts. The Municipal Plan has about 130,000 active members, of which approximately 20,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Plan as at December 31, 2002 indicated a \$382 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2005 with results available in late 2006. The most recent valuation for the Municipal Pension Plan as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. The Stikine School District paid \$310,528 for employer contributions to these plans in the year ended June 30, 2006.

**SCHOOL DISTRICT NO. 87 (STIKINE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2006**

**NOTE 8            OPERATING FUND BALANCE, END OF YEAR**

Internally Restricted (appropriated) by the Board for:

Allocations made to schools - operating	\$33,925
Photocopiers & Furniture	\$37,120
Computer Hardware & Software	\$9,603
Vehicle Reserve	\$65,000
Required for the 2006/07 Budget	<u>\$218,993</u>
Subtotal Internally Restricted	\$364,641
Unrestricted Operating Surplus	\$136,609
Total Available for Future Operations	<u>\$501,250</u>

**NOTE 9            BUDGET FIGURES**

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an (amended) annual budget on February 6, 2006.

**NOTE 10          ECONOMIC DEPENDENCE**

Operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of the School District as a “going concern”.

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**OPERATING FUND**  
**SURPLUS (DEFICIT)**  
**YEAR ENDED JUNE 30, 2006**

Schedule A1

	2006	2006 AMENDED ANNUAL BUDGET	2005
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<b>REVENUE</b>			
Provincial Grants - Ministry of Education	4,367,259	4,370,947	4,449,244
Provincial Grants - Other	313,499	74,000	75,570
Federal Grants	3,682	3,400	0
Other Revenue	1,635,216	1,711,559	1,760,713
Rentals and Leases	177,365	190,500	160,792
Investment Income	43,996	33,150	31,254
	<u>6,541,017</u>	<u>6,383,556</u>	<u>6,477,573</u>
<b>EXPENSE</b>			
Salaries			
Teachers	1,445,288	1,517,225	1,526,980
Principals and Vice Principals	324,652	383,421	610,463
Educational Assistants	418,924	457,062	497,716
Support Staff	599,465	583,025	588,237
Other Professionals	420,492	422,386	458,876
Substitutes	170,744	159,685	165,965
	<u>3,379,565</u>	<u>3,522,804</u>	<u>3,848,237</u>
Employee Benefits	797,554	993,752	967,326
Services and Supplies	1,832,573	1,842,142	1,799,517
	<u>6,009,692</u>	<u>6,358,698</u>	<u>6,615,080</u>
<b>NET REVENUE (EXPENSE), FOR THE YEAR</b>	531,325	24,858	(137,507)
<b>INTERFUND TRANSFERS</b>			
Capital Assets Purchased	(66,654)	0	(4,943)
Local Capital	0	0	0
Other	(73,400)	(75,000)	(70,210)
<b>OTHER ADJUSTMENTS TO OPERATING FUND BALANCE</b>			
Reduce Unfunded Employee Future Benefits and Vacation Pay			
Comprehensive Income (Loss)	0	0	0
<b>BUDGETED ALLOCATION OF SURPLUS (DEFICIT)</b>		50,142	
<b>SURPLUS (DEFICIT), FOR THE YEAR</b>	<u>391,271</u>	<u>0</u>	<u>(212,660)</u>
<b>SURPLUS (DEFICIT), BEGINNING OF YEAR</b>	109,979		322,639
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>			
<b>SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED</b>	<u>109,979</u>		<u>322,639</u>
<b>SURPLUS (DEFICIT), END OF YEAR</b> (Section 156 (12) of School Act)	<u>501,250</u>		<u>109,979</u>
<b>SURPLUS (DEFICIT), END OF YEAR</b>			
Internally Restricted	364,641		
Unrestricted	136,609		
	<u>501,250</u>		

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**OPERATING FUND**  
**COMPARATIVE SCHEDULE OF REVENUE BY SOURCE**  
**YEAR ENDED JUNE 30, 2006**

Schedule A2

	2006	2006 AMENDED ANNUAL BUDGET	2005
	ACTUAL		ACTUAL
<b>PROVINCIAL GRANTS - MINISTRY OF EDUCATION</b>			
Operating Grant, Ministry of Education	5,425,652	5,433,308	5,202,598
Other Ministry of Education Grants			
GAAP Implementation Funding	17,734	17,734	24,266
Reduction for Local Education Agreements	(1,577,522)	(1,598,879)	(1,230,101)
Pay Equity	129,784	129,784	63,481
Community Link	291,254	389,000	389,000
Employee Incentive Grant	37,099		
Ministry Incentive Grant	43,258		
	<u>4,367,259</u>	<u>4,370,947</u>	<u>4,449,244</u>
<b>PROVINCIAL GRANTS - OTHER</b>	<u>313,499</u>	<u>74,000</u>	<u>75,570</u>
<b>FEDERAL GRANTS</b>	<u>3,682</u>	<u>3,400</u>	<u>0</u>
<b>OTHER REVENUE</b>			
Other School District/Education Authorities	0	0	0
Summer School Fees	0	0	0
Continuing Education	0	0	0
Offshore Tuition Fees	0	0	0
LEA/Direct Funding from First Nations	1,582,025	1,598,879	1,230,101
Miscellaneous			
President's Time Recovered		95,000	95,910
Recovery for Substitutes Time	4,523		6,731
Head Start Fees	73		19,832
Art in School	4,680	4,680	5,000
Employee Future Benefits Reduction			385,909
Trade-in on Vehicles	14,000		
Other	29,915	13,000	17,230
	<u>1,635,216</u>	<u>1,711,559</u>	<u>1,760,713</u>
<b>RENTALS AND LEASES</b>	<u>177,365</u>	<u>190,500</u>	<u>160,792</u>
<b>INVESTMENT INCOME</b>	<u>43,996</u>	<u>33,150</u>	<u>31,254</u>
<b>TOTAL OPERATING REVENUE</b>	<u><u>6,541,017</u></u>	<u><u>6,383,556</u></u>	<u><u>6,477,573</u></u>

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**OPERATING FUND**  
**COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT**  
**YEAR ENDED JUNE 30, 2006**

Schedule A3

	2006	2006 AMENDED ANNUAL BUDGET	2005
	ACTUAL		ACTUAL
<b>SALARIES</b>			
Teachers	1,445,288	1,517,225	1,526,980
Principals and Vice Principals	324,652	383,421	610,463
Educational Assistants	418,924	457,062	497,716
Support Staff	599,465	583,025	588,237
Other Professionals	420,492	422,386	458,876
Substitutes	170,744	159,685	165,965
	<u>3,379,565</u>	<u>3,522,804</u>	<u>3,848,237</u>
<b>EMPLOYEE BENEFITS</b>			
<b>Total Salaries and Benefits</b>	<u>4,177,119</u>	<u>4,516,556</u>	<u>4,815,563</u>
<b>SERVICES AND SUPPLIES</b>			
Services	679,207	552,867	751,338
Student Transportation	209,956	227,000	218,858
Professional Development and Travel	287,877	304,220	266,583
Rentals and Leases	8,547	19,662	14,110
Dues and Fees	15,184	10,200	12,353
Insurance	21,756	24,410	23,999
Interest	41,273	39,673	44,463
Supplies	318,652	424,970	217,702
Bad Debts	0	0	0
Utilities	250,121	239,140	250,111
<b>Total Services and Supplies</b>	<u>1,832,573</u>	<u>1,842,142</u>	<u>1,799,517</u>
<b>TOTAL OPERATING EXPENSE</b>	<u><u>6,009,692</u></u>	<u><u>6,358,698</u></u>	<u><u>6,615,080</u></u>

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**OPERATING FUND**  
**EXPENSE BY FUNCTION AND PROGRAM**  
**YEAR ENDED JUNE 30, 2006**

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS AND VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
<b>1 INSTRUCTION</b>							
1.02 Regular Instruction	1,177,961	85,825			10,193	102,431	1,376,410
1.03 Career Programs							0
1.07 Library Services	8,151			24,561			32,712
1.08 Counselling							0
1.10 Special Education	99,939	44,455	184,234		40,671	14,497	383,796
1.30 English as a Second Language	159,237						159,237
1.31 Aboriginal Education		37,342	49,451		33,044	3,457	123,294
1.41 School Administration		157,030		126,328		7,964	291,322
1.60 Summer School							0
1.61 Continuing Education							0
1.62 Off Shore Students							0
1.64 Other			185,239	10,499	50,738	18,716	265,192
1.65 Conseil Scolaire Francophone							0
<b>Total Function 1</b>	<b>1,445,288</b>	<b>324,652</b>	<b>418,924</b>	<b>161,388</b>	<b>134,646</b>	<b>147,065</b>	<b>2,631,963</b>
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration					58,462		58,462
4.40 School District Governance					69,150		69,150
4.41 Business Administration				44,042	106,473		150,515
4.65 Conseil Scolaire Francophone							0
<b>Total Function 4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44,042</b>	<b>234,085</b>	<b>0</b>	<b>278,127</b>
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration					36,206		36,206
5.50 Maintenance Operations				379,937		23,514	403,451
5.52 Maintenance of Grounds							0
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
<b>Total Function 5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>379,937</b>	<b>36,206</b>	<b>23,514</b>	<b>439,657</b>
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration							0
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation							0
7.73 Housing				14,098	15,555	165	29,818
<b>Total Function 7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,098</b>	<b>15,555</b>	<b>165</b>	<b>29,818</b>
<b>9 DEBT SERVICES (OPERATING)</b>							
9.92 Interest on Bank Loans							0
9.94 Interest on Temporary Borrowing							0
<b>Total Function 9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FUNCTIONS 1 - 9</b>	<b>1,445,288</b>	<b>324,652</b>	<b>418,924</b>	<b>599,465</b>	<b>420,492</b>	<b>170,744</b>	<b>3,379,565</b>

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**OPERATING FUND**  
**EXPENSE BY FUNCTION AND PROGRAM**  
**YEAR ENDED JUNE 30, 2006**

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2006 ACTUAL	2006 AMENDED ANNUAL BUDGET	2005 ACTUAL
<b>1 INSTRUCTION</b>							
1.02 Regular Instruction	1,376,410	357,663	1,734,073	312,368	2,046,441	2,163,252	2,563,436
1.03 Career Programs	0		0		0	0	0
1.07 Library Services	32,712	8,019	40,731	1,689	42,420	35,760	133,496
1.08 Counselling	0		0		0	0	13,397
1.10 Special Education	383,796	83,518	467,314	54,893	522,207	591,218	475,694
1.30 English as a Second Language	159,237	47,193	206,430	504	206,934	265,599	70,750
1.31 Aboriginal Education	123,294	25,821	149,115	73,434	222,549	228,126	174,674
1.41 School Administration	291,322	74,586	365,908	143,610	509,518	475,874	434,550
1.60 Summer School	0		0		0	0	0
1.61 Continuing Education	0		0		0	0	0
1.62 Off Shore Students	0		0		0	0	0
1.64 Other	265,192	54,494	319,686	90,112	409,798	543,737	491,799
1.65 Conseil Scolaire Francophone	0		0		0	0	0
<b>Total Function 1</b>	<b>2,631,963</b>	<b>651,294</b>	<b>3,283,257</b>	<b>676,610</b>	<b>3,959,867</b>	<b>4,303,566</b>	<b>4,357,796</b>
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration	58,462	9,633	68,095	15,808	83,903	11,000	39,762
4.40 School District Governance	69,150	1,485	70,635	63,214	133,849	129,894	126,115
4.41 Business Administration	150,515	43,813	194,328	308,281	502,609	576,774	603,502
4.65 Conseil Scolaire Francophone	0		0		0	0	0
<b>Total Function 4</b>	<b>278,127</b>	<b>54,931</b>	<b>333,058</b>	<b>387,303</b>	<b>720,361</b>	<b>717,668</b>	<b>769,379</b>
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration	36,206	8,014	44,220	25,235	69,455	71,695	128,583
5.50 Maintenance Operations	403,451	77,372	480,823	111,164	591,987	634,014	579,518
5.52 Maintenance of Grounds	0		0	14,896	14,896	9,000	11,353
5.56 Utilities	0		0	236,695	236,695	229,000	222,423
5.65 Conseil Scolaire Francophone	0		0		0	0	0
<b>Total Function 5</b>	<b>439,657</b>	<b>85,386</b>	<b>525,043</b>	<b>387,990</b>	<b>913,033</b>	<b>943,709</b>	<b>941,877</b>
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration	0		0		0	0	0
7.65 Conseil Scolaire Francophone	0		0		0	0	0
7.70 Student Transportation	0		0	214,395	214,395	232,000	223,379
7.73 Housing	29,818	5,943	35,761	166,275	202,036	161,755	322,649
<b>Total Function 7</b>	<b>29,818</b>	<b>5,943</b>	<b>35,761</b>	<b>380,670</b>	<b>416,431</b>	<b>393,755</b>	<b>546,028</b>
<b>9 DEBT SERVICES (OPERATING)</b>							
9.92 Interest on Bank Loans				0	0	0	0
9.94 Interest on Temporary Borrowing				0	0	0	0
<b>Total Function 9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FUNCTIONS 1 - 9</b>	<b>3,379,565</b>	<b>797,554</b>	<b>4,177,119</b>	<b>1,832,573</b>	<b>6,009,692</b>	<b>6,358,698</b>	<b>6,615,080</b>

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**OPERATING FUND**  
**CHANGES IN DEFERRED CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2006**

Schedule A5

<b>BALANCE, BEGINNING OF YEAR</b>	98,354
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>	
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	<u>98,354</u>
<b>Changes for the Year</b>	
Increase:	
Provincial Grants - Ministry of Education	236,682
Provincial Grants - Other	0
Other Revenue	0
	<u>236,682</u>
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	139,756
Provincial Grants - Other	3,232
Federal Grants	0
Other Revenue	0
Rentals and Leases	0
Investment Income	0
	<u>142,988</u>
<b>Net Changes for the Year</b>	<u>93,694</u>
<b>BALANCE, END OF YEAR</b>	<u><u>192,048</u></u>

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**SPECIAL PURPOSE FUNDS**  
**SUMMARY OF CHANGES**  
**YEAR ENDED JUNE 30, 2006**

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>					
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	618,840	21,595	25,845	0	666,280
Add: Contributions Received					
Provincial Grants - Ministry of Education	296,260				296,260
Provincial Grants - Other					0
Federal Grants					0
Other Revenue			78,066		78,066
Rentals and Leases					0
Investment Income	18,518				18,518
	314,778	0	78,066	0	392,844
Less: Allocated to Revenue	336,983	20,493	81,396		438,872
Recovered					0
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<b>596,635</b>	<b>1,102</b>	<b>22,515</b>	<b>0</b>	<b>620,252</b>
<b>REVENUE AND EXPENSE</b>					
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	326,235				326,235
Provincial Grants - Other					0
Federal Grants					0
Other Revenue		20,493	81,396		101,889
Rentals and Leases					0
Investment Income	10,748				10,748
Gain (Loss) on Equity Investment					0
	336,983	20,493	81,396	0	438,872
<b>EXPENSE</b>					
Salaries					
Teachers					0
Principals and Vice Principals					0
Educational Assistants					0
Support Staff	13,605				13,605
Other Professionals					0
Substitutes					0
	13,605	0	0	0	13,605
Employee Benefits	2,740				2,740
Services and Supplies	34,089	20,493	81,396		135,978
	50,434	20,493	81,396	0	152,323
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	<b>286,549</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>286,549</b>
<b>INTERFUND TRANSFERS</b>					
Capital Assets Purchased	(286,549)				(286,549)
Other					0
	(286,549)	0	0	0	(286,549)
<b>NET REVENUE (EXPENSE)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**SPECIAL PURPOSE FUNDS**  
**CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS**  
**YEAR ENDED JUNE 30, 2006**

Schedule B2

	207 Annual Facility Grant	231 Aboriginal Education Technology	250 Special Education Equipment	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>				
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	613,894	1,949	2,997	618,840
Add: Contributions Received				
Provincial Grants - Ministry of Education	295,131		1,129	296,260
Provincial Grants - Other				0
Federal Grants				0
Other Revenue				0
Rentals and Leases				0
Investment Income	18,518			18,518
	313,649		1,129	314,778
Less: Allocated to Revenue	336,960	23		336,983
Recovered				0
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	590,583	1,926	4,126	596,635
<b>REVENUE AND EXPENSE</b>				
<b>REVENUE</b>				
Provincial Grants - Ministry of Education	326,212	23		326,235
Provincial Grants - Other				0
Federal Grants				0
Other Revenue				0
Rentals and Leases				0
Investment Income	10,748			10,748
	336,960	23		336,983
<b>EXPENSE</b>				
Salaries				
Teachers				0
Principals and Vice Principals				0
Educational Assistants				0
Support Staff	13,605			13,605
Other Professionals				0
Substitutes				0
	13,605			13,605
Employee Benefits	2,740			2,740
Services and Supplies	34,066	23		34,089
	50,411	23		50,434
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	286,549			286,549
<b>INTERFUND TRANSFERS</b>				
Capital Assets Purchased	(286,549)			(286,549)
Other				0
	(286,549)			(286,549)
<b>NET REVENUE (EXPENSE)</b>				0

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**SPECIAL PURPOSE FUNDS**  
**CHANGES IN OTHER SPECIAL PURPOSE FUNDS**  
**YEAR ENDED JUNE 30, 2006**

Schedule B3

	Dease Lake Hard Surface Rink	Atlin Hard Surface Court	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>			
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	10,000	11,595	21,595
Add: Contributions Received			
Provincial Grants - Ministry of Education			0
Provincial Grants - Other			0
Federal Grants			0
Other Revenue			0
Rentals and Leases			0
Investment Income			0
			0
Less: Allocated to Revenue	10,000	10,493	20,493
Recovered			0
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>		1,102	1,102
<b>REVENUE AND EXPENSE</b>			
<b>REVENUE</b>			
Provincial Grants - Ministry of Education			0
Provincial Grants - Other			0
Federal Grants			0
Other Revenue	10,000	10,493	20,493
Rentals and Leases			0
Investment Income			0
	10,000	10,493	20,493
<b>EXPENSE</b>			
Salaries			
Teachers			0
Principals and Vice Principals			0
Educational Assistants			0
Support Staff			0
Other Professionals			0
Substitutes			0
			0
Employee Benefits			0
Services and Supplies	10,000	10,493	20,493
	10,000	10,493	20,493
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>			0
<b>INTERFUND TRANSFERS</b>			
Capital Assets Purchased			0
Other			0
			0
<b>NET REVENUE (EXPENSE)</b>			0

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**CAPITAL FUND**  
**CAPITAL ASSETS**  
**YEAR ENDED JUNE 30, 2006**

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
<b>COST, BEGINNING OF YEAR</b>	1,763,718	18,908,984	378,027	175,213	0	23,278	21,249,220
<b>Changes in Accounting Policy/ Prior Period Adjustments</b>							
<b>COST, BEGINNING OF YEAR, AS RESTATED</b>	1,763,718	18,908,984	378,027	175,213	0	23,278	21,249,220
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw							0
Deferred Contributions - Other							0
Operating Fund				66,654			66,654
Special Purpose Funds		286,549					286,549
Local Capital							0
Transferred from Work in Progress							0
	0	286,549	0	66,654	0	0	353,203
Decrease:							
Disposed of							0
Deemed Disposals							0
Written-off/down During Year							0
	0	0	0	0	0	0	0
<b>COST, END OF YEAR</b>	1,763,718	19,195,533	378,027	241,867	0	23,278	21,602,423
<b>WORK IN PROGRESS, END OF YEAR</b>							0
<b>COST AND WORK IN PROGRESS, END OF YEAR</b>	1,763,718	19,195,533	378,027	241,867	0	23,278	21,602,423
<b>ACCUMULATED AMORTIZATION, BEGINNING OF YEAR</b>		11,290,888	164,205	85,538	0	7,468	11,548,099
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>							
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	0	11,290,888	164,205	85,538	0	7,468	11,548,099
<b>Changes for the Year</b>							
Increase: Amortization for the Year		348,384	37,803	17,521		4,656	408,364
Decrease:							
Disposed of							0
Deemed Disposals							0
Written-off During Year							0
	0	0	0	0	0	0	0
<b>ACCUMULATED AMORTIZATION, END OF YEAR</b>	0	11,639,272	202,008	103,059	0	12,124	11,956,463
<b>CAPITAL ASSETS - NET</b>	1,763,718	7,556,261	176,019	138,808	0	11,154	9,645,960

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**CAPITAL FUND**  
**CAPITAL ASSETS - WORK IN PROGRESS**  
**YEAR ENDED JUNE 30, 2006**

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
<b>WORK IN PROGRESS, BEGINNING OF YEAR</b>	0	0	0	0	0
<b>Changes in Accounting Policy/ Prior Period Adjustments</b>					
<b>WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Changes for the Year</b>					
Increase:					
Deferred Contributions - Bylaw					0
Deferred Contributions - Other					0
Operating Fund					0
Special Purpose Funds					0
Local Capital					0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Decrease:					
Transferred to Capital Assets					0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Changes for the Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>WORK IN PROGRESS, END OF YEAR</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**CAPITAL FUND**  
**DEFERRED CAPITAL CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2006**

Schedule C3

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
<b>DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR</b>	8,847,894	0	0	8,847,894
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>				
<b>DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED</b>	8,847,894	0	0	8,847,894
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Contributions - Capital Additions				0
Transferred from Work in Progress				0
	0	0	0	0
Decrease:				
Amortization of Deferred Capital Contributions	408,757			408,757
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	408,757	0	0	408,757
<b>Net Changes for the Year</b>	(408,757)	0	0	(408,757)
<b>DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR</b>	8,439,137	0	0	8,439,137
<b>WORK IN PROGRESS, BEGINNING OF YEAR</b>	0	0	0	0
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>				
<b>WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED</b>	0	0	0	0
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Contributions - Work in Progress				0
	0	0	0	0
Decrease:				
Transferred to Deferred Capital Contributions				0
	0	0	0	0
<b>Net Changes for the Year</b>	0	0	0	0
<b>WORK IN PROGRESS, END OF YEAR</b>	0	0	0	0
<b>DEFERRED CAPITAL CONTRIBUTIONS AND WORK IN PROGRESS, END OF YEAR</b>	8,439,137	0	0	8,439,137

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**CAPITAL FUND**  
**CHANGES IN DEFERRED CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2006**

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
<b>BALANCE, BEGINNING OF YEAR</b>	0	0	0	0	0	0
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>						
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education						0
Provincial Grants - Other						0
Other						0
Investment Income						0
MEd Restricted Portion of Proceeds on Disposal						0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Decrease:						
Transferred to DCC - Capital Additions						0
Transferred to DCC - Work in Progress						0
Transferred to Invested in Capital Assets - Site Purchases						0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Changes for the Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>BALANCE, END OF YEAR</b>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

**SCHOOL DISTRICT NO. 87 (Stikine)**  
**CAPITAL FUND**  
**CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2006**

Schedule C5

	INVESTMENT IN CAPITAL	LOCAL CAPITAL	FUND BALANCE
<b>BALANCE, BEGINNING OF YEAR</b>	(107,431)	0	(107,431)
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>			
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	(107,431)	0	(107,431)
<b>Changes for the Year</b>			
Investment Income			0
Comprehensive Income (Loss)			0
Gain (Loss) on Disposal of Capital Assets			0
District Portion of Proceeds on Disposal			0
Write-off/down of Buildings and Sites			0
Amortization of Deferred Capital Contributions	408,757		408,757
Capital Assets Purchased from Local Capital			0
Interfund Transfers - Capital Assets Purchased	353,203		353,203
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital			0
Amortization of Capital Assets	(408,364)		(408,364)
Transferred to Invested in Capital Assets			
- Site Purchases			0
Principal Reduction on Capital Loan	73,400		73,400
<b>Net Changes for the Year</b>	426,996	0	426,996
<b>BALANCE, END OF YEAR</b>	319,565	0	319,565