

Annual Report 2005-06



Helping Each Student Achieve

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September 20, 2006

Honourable Joan Burke, MHA
Minister of Education
P. O. Box 8700
Confederation Building
St. John's, NL
A1B 4J6



It is my pleasure to present the 2005-06 Annual Report for the Eastern School Board.

The Eastern School Board is mandated as per Section 75 of the *Schools Act, 1997* to organize and administer primary, elementary and secondary education within the district. This report provides a balanced summary of the efforts and accomplishments of the Eastern School Board in respect to the goals that are articulated in its interim strategic plan. It reflects the commitment to excellence in education of the entire learning community of the Eastern School District that includes 44,258 students, 3,001 teachers, 1,000 support staff, parents, district-level personnel, and other community partners that are associated with our 125 schools. As well, it affirms the Board's commitment to children and learning and to building an efficient and effective school district capable of meeting the needs of each learner for whom it has responsibility.

My signature below is on behalf of the entire Eastern School Board and is indicative of our accountability for the actual results reported.

Sincerely,

MILTON PEACH
Chair

Eastern School District

Vision

To challenge and develop the learning and achievement capabilities of each student in a safe, caring, and socially just learning environment.

Mission

Eastern School Board will work with its employees and key partners - Department of Education, school councils, and various other educational and community agencies and organizations - to challenge and develop the learning and achievement capabilities of each student in a safe, caring, and socially just learning environment. In order to achieve its vision, the Board has endorsed organizational and leadership development through the theoretical framework of organizational learning. The Board has adopted this organizational-leadership approach based on considerable research evidence to support the claim that if schools and school systems are to make meaningful improvements to support teaching and learning, they must increase their organizational learning capacity.

Lines of Business

Eastern School Board has the following lines of business:

- 1. Curriculum and Programs**
Responsibilities include the full range of curriculum implementation, student assessment and evaluation, student placement, distance learning, teacher professional development and support for the core program with programs designed to improve the teaching and learning process. The Board also provides support for school development.
- 2. Educational Policy, Planning, Research, and Accountability**
Responsibilities include the development, implementation, and monitoring of policy, as required, in keeping with provincial educational policy. Other major functions related to improve teaching and learning and system performance include the compilation and analysis of educational statistics, planning, evaluation, accountability, policy development, and research.
- 3. Finance & Administration**
The Board has responsibility for following provincial financial legislation and regulation; acquisition of materials, equipment, and services; repair and maintenance of school buildings; properties and facilities management; transportation management; support staff payroll; collaborating with the Department of Education on teacher payroll; and school finance.
- 4. International Education**
The Board actively supports and promotes secondary initiatives to attract international students and develop international partnerships.
- 5. Human Resource Services**
The Board provides a full range of human resource services, including recruitment; retention; employee orientation and teacher induction; performance appraisal; labor relations and collective bargaining; leadership development; and employee assistance and support services.
- 6. Student Support Services**
Responsibilities include the implementation, administration, and monitoring of programs and services to students with special needs. This includes implementation of provincial policy on Individual Student Support Services Plans (ISSP) as well as the Pathways to Graduation Program.

Trustees by Regions

Zone 1	Burin Region	Rosalind Robere
Zone 2	Burin Region	Melvin Lambe
Zone 3	Vista Region	Rick Martin
Zone 4	Vista Region	Don Blackmore
Zone 5	Avalon West Region	Dr. Jim Hearn
Zone 6	Avalon West Region	Milton Peach – Chair
Zone 7	Avalon West Region	Eric A. Snow
Zone 8	Avalon West Region	John J. Murphy
Zone 9	Avalon East Region	Christopher Hammond
Zone 10	Avalon East Region	Derek Winsor
Zone 11	Avalon East Region	Dr. David Dibbon
Zone 12	Avalon East Region	Dr. Edward Brown
Zone 13	Avalon East Region	Ken Best
Zone 14	Avalon East Region	Jerry Rice
Zone 15	Avalon East Region	George Sheppard



(front row, l-r Executive Committee) Rick Martin, Dr. Jim Hearn-Vice Chair, Dr. Darin King-CEO/Director of Education, Milton Peach-Chair, Derek Winsor, Dr. David Dibbon, Eric A. Snow (back row, l-r) Ken Best, Jerry Rice, Don Blackmore, Chris Hammond, Rosalind Robere, Jack Murphy, Dr. Ed Brown, George Sheppard, Melvin Lambe.

Key District Statistics

Physical Location: Headquarters: Suite 601, Atlantic Place, 215 Water Street,
St. John's, NL A1C 6C9
Avalon West Region: Spaniard's Bay, NL A0A 3C0
Burin Region: Burin, NL A0E 1G0
Vista Region: Clarenville, NL A5A 1P4

Other Statistics:

125 schools including Janeway School

Schools

- Of the 124 schools (not including Janeway School), 5 (4.0%) had enrolments of less than 50 students, 27 (21.7%) had enrolments between 50-199, 48 (38.7%) had enrolments of 200-399, and 44 (35.5%) had enrolments of 400 or more.
- 66 (53.2%) schools were located in urban areas, while the remaining 58 (46.8%) schools were located in rural areas.

Students

- In 2005-06, there were 43,920 students in Eastern School District, of which 7,145 (16.3%) received special education support.
- 30,789 (70.1%) of students were enrolled in schools in an urban setting, while the remaining 13,131 (29.9%) students were enrolled in rural schools.

Teachers

- 2,945 full-time equivalent teachers and administrators
- 1,044 substitute teachers

Student Assistants

- 331 student assistants
- 185 substitute student assistants

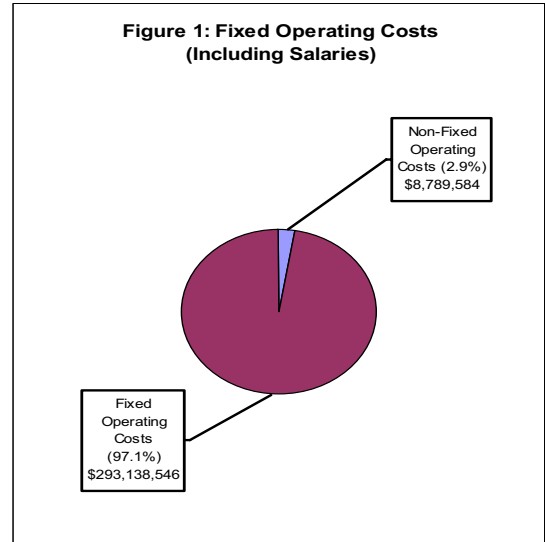
Support Staff

- 61 office support
- 174 school secretaries
- 457 maintenance, custodial, cleaning
- 84 bus drivers/mechanics

Revenue and Expenditures

Fixed versus Non-Fixed Operating Costs (Including Salaries)

Figure 1 shows how the Board's operating budget is apportioned between those costs that are fixed and those that allow some small measure of flexibility. The "fixed" costs include such items as pupil transportation, electricity, fuel, telephone, snow clearing and municipal taxes and totaled 78.5 per cent of the District's total expenditures for the year, after excluding salaries and benefits. This left only 21.5 per cent to be spent on such things as professional development, instructional materials, and equipment and building repairs. As indicated in Figure 1, the remaining funds represent less than three per cent of the total District expenditures for the year when salaries and benefits are included.



Expenditures by Major Category (Excluding Salaries)

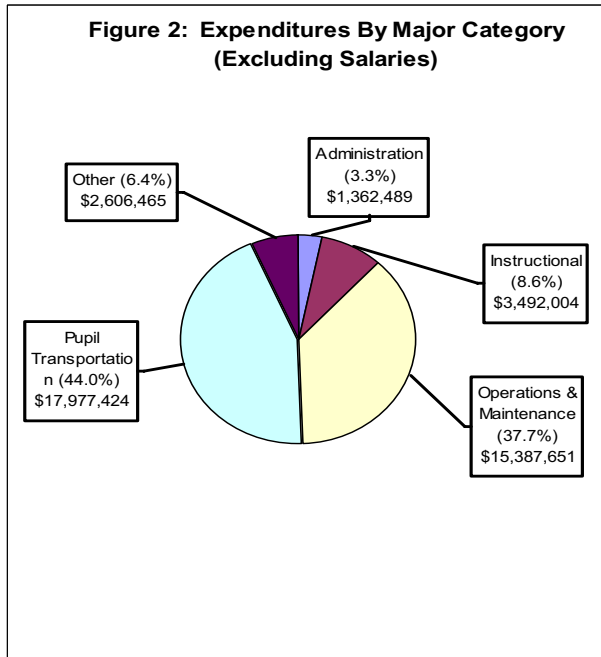


Figure 2 shows how the expenditures of the Board for the year, excluding salaries and benefits, are distributed among the major categories with equivalent percentage cost comparisons. The fixed cost of pupil transportation accounts for 44 per cent of this total; operations and maintenance costs took an additional 37 per cent; instructional costs received only eight per cent; district administration three per cent and other costs, including capital expenditures, six per cent.

Shared Commitments

Eastern School Board relies on the commitment and cooperation of a number of partners in the delivery of high-quality education to our students.

Department of Education

Eastern School Board operates within the context of the *Schools Act, 1997*. This act provides school boards with the direct responsibility for the administration and operation of schools including staffing, the distribution of resources, technology, repair and maintenance of school buildings, student transportation, and the development of instructional policies and practices. Operational and capital funding is provided by the Department of Education.

School Councils

School councils are required by the *Schools Act, 1997* to provide meaningful input into the operation of each school by monitoring teaching and learning in the school, providing a report to be included in the annual school report, and providing advice to the school and school board. Eastern School Board is committed to working with the school councils of each school.

Other Educational and Community Agencies and Organizations

The success of public education is dependent upon the commitment of parents, and the engagement of the larger community. The following are among the key partners, other than those identified above, that influence the level of success of the Board's mission: the Newfoundland and Labrador Teachers' Association, the Newfoundland and Labrador School Boards Association, the Newfoundland and Labrador Federation of School Councils, Memorial University, Regional Economic Development Boards, the business community, Y-Enterprise Center, Royal Newfoundland Constabulary, Royal Canadian Mounted Police, Eastern School District Education Foundation, Computers for Schools, Family Services Canada, Human Resources, Labour and Employment, and Social Development Canada, and the many individual volunteers.

These partnerships have supported and enhanced programming for our students in many program areas such as career planning, workplace safety, and robotics.

Highlights and Accomplishments

The two strategic issues for Eastern School District this past year included:

1. Student achievement, and
2. Safe and caring schools.

To support these strategic directions, the following goals were identified:

1. The development and implementation of new district structures.
2. The setting of a philosophical framework for the district.
3. Human Resources Development.
4. The development of policies and procedures.
5. The use of technology to support teaching and administrative processes and to enhance learning opportunities for students.
6. The promotion of active and healthy lifestyles through policy and programs.
7. The development of a multiyear infrastructure plan.
8. The development of a communications plan that allows us to better connect with and to engage our partners in the realization of our strategic goals.

9. The introduction of a rural education focus, allowing for the integration of rural perspectives and priorities into all aspects of the Eastern School District's programs and initiatives.
10. The development and implementation of strategies and initiatives focused specifically on improving learner outcomes

With reference to the above-noted goals, the following provides a brief summary of accomplishments:

1. **The development and implementation of new district structures.**
 - Continued to organize schools into families to facilitate planning and sharing for the purpose of improving learning opportunities for all students.
 - Fully implemented an on-line professional growth plan development process for all teachers and school administrators. Currently all are actively involved in a revised professional growth program that reflects goals related to district and school plans.
 - Introduced and expanded E-learning centers.

- Adopted a model of site-based management which includes the allocation of substitute teacher days, maintenance budget, and instructional budgets to schools.
 - Fully implemented an electronic report card (piloted at K-6 level) to report student progress to parents.
2. **The setting of a philosophical framework for the District.**
- Conducted professional development sessions at the district, family of schools, and individual school levels, focused on the development of a shared vision for teaching and learning for individual students and the setting of expectations around planning to meet the needs of individual students.
 - Delivered professional development sessions at the district, family of schools, and school level, focused on developing the district as a Professional Learning Community.
3. **Human Resource Development**
- Through strategic human resource planning, there was a continued focus on professional growth and evaluation, staff recruitment, teacher allocations, teacher induction, policy development, succession planning, leadership at work, professional development in the area of professional learning communities, and occupational health & safety.
 - Succession planning sessions were sponsored to attract teachers to administrative positions. This past spring, 27 permanent and 14 replacement contracts for administrators were filled prior to June 30.
 - Year two of our new Leadership at Work program was successfully implemented. Topics covered included team building, instructional leadership, teacher appraisal, teaching and learning, 7 Habits of Highly Effective People, mediation, building professional growth plans and goals, and school council relationships.
 - An extensive list of professional development sessions were offered in support of teacher professional growth plans and the District's strategic directions, including: new curriculum implementation; Elementary Reading Assessment; Guided Reading; Writing; Use of Rubrics & Assessment; K-3 French Immersion; ISSP; CPI Training; Cyber Bullying; Mediation Training; Grade 6 Mathematics; Grade 6 Intensive Core French; Artwork Provincial Conference; Walk Through Training; Assessment for Learning – What Instructional Leaders Need to Know; Intermediate Social Studies; Canadian Law 2104/2204; Student Assessment; Team Building; Non-Violent Crisis Intervention Training; The Inclusive Classroom; Using Assistive Technology to Enhance Student Learning in Special Education; Win School; and PRIME Training.
- Completed Winschool (administrative software) training for all schools in the Burin and Vista regions.
 - Continued training of Occupational Health and Safety (OH&S) Committee members to ensure compliance with the OH&S legislation.
 - Facilitated mediation training for 10 staff and administrators, through the University of Windsor Law School.
 - Trained 42 administrators from throughout the district in the 7 Habits of Highly Effective People.
 - The staffing and hiring process was streamlined and simplified with the introduction of a new online program for applications and hiring. This was a tremendous achievement and the first such program for Newfoundland and Labrador school boards
4. **The Development of Policies and Procedures**
- Four interim policies, adopted in August 2005, were revisited and adopted by the Board as full policy.
 - A new policy "Trustee Code of Ethics" was adopted.
 - Developed a draft policy on evaluation of support staff
 - Developed the transportation policy and handbook for the District which was approved as an interim policy and is now available on our website.
5. **The use of technology to support teaching and administrative processes and to enhance learning opportunities for students and provide safe, caring schools.**
- Continued expansion of the Professional Learning Centers.
 - Fully implemented a district-wide networked maintenance request database system for schools to enter maintenance or renovation requests
 - Implemented web-based reporting in all K-6 schools.
 - The inaugural professional development program and provincial competition for high school students in underwater robotics was attended by 12 schools from across the province in May 2006. Two of our schools represented this province at the International ROV Competition held at the Johnson Space Centre, Houston, Texas in June 2006.

- In partnership with the Department of Education (Teacher Payroll), implemented a computer software program to facilitate the issuing of employee Record of Earnings.
- Purchased workstation administration software (Deep Freeze) which will greatly lessen technological issues for students in schools and allow teachers to focus more on teaching and learning.
- Installed new server software (on a phase-in basis) which will assist in maintaining current modern technical standards in the District.
- Initiated the development of a Purchase Order email system through SDS which will significantly improve the turn-around time for schools' purchase requests

6. **The promotion of active and healthy lifestyles through policy and programs.**

- Developed a draft nutrition policy for schools, incorporating the recently announced provincial School Food Guidelines.
- Partnered with the Alliance for the Control of Tobacco to make Newfoundland and Labrador smoke free, with our particular focus being to work with schools to deal with smoking intervention programs to make schools and school properties smoke free.
- Adopted and implemented an Anti-Tobacco policy.
- Eastern School District played a very active role to develop, promote and facilitate the District's Active and Healthy Schools initiative.
- Two Health Liaison Officers were hired, and delivered many presentations thought the District on healthy eating and healthy and active living. A major contributor to the success of these presentations was Eastern Health.



7. **The development of a draft multi-year infrastructure plan for the District.**

- Developed and submitted to Government, a Multi-Year Capital Works Plan.
- Participated with the Department of Education in purchasing the Mobile school site, and commenced work on the new Grade 7-Level III school.

- Secured funding for a six-classroom extension to Paradise Elementary School, at an estimated cost of approximately \$1,350,000.
- Finalized the renovation plan for St. Andrew's Elementary with the Department of Education, at an estimated cost of \$700,000.
- Commenced restoration work on the Holy Heart of Mary Auditorium, St. John's at an estimated cost of \$350,000.
- Commenced an extension project to Leary's Brook Junior High.
- Completed the restructuring of the Witless Bay/Bay Bulls schools with the opening of the extension/renovation to St. Bernard's Elementary in Witless Bay and the closure of St. Patrick's Primary in Bay Bulls.
- Completed the Accessibility Improvement projects at Bishop's College in St. John's and St. Joseph's All Grade in Terrenceville which included the installation of vertical lifts for each school.
- Completed approximately \$4 million worth of major roof replacement projects at various schools throughout the district.



8. **The development of a communications plan that allows us to better connect with and to engage our partners in the realization of our strategic goals.**

- A media awareness and public relations training session was expanded and delivered to all regions throughout the district during the past school year.
- Formed and activated the Eastern Education Foundation, Inc., a charitable arms-length board with a mandate to raise funds to support students throughout the entire district. Activities completed included an employee payroll 50/50 draw, a charity golf tournament, and a scholarship policy for students throughout the district.
- Awarded 6 scholarships to students, valued at \$1,000 each.
- Produced a monthly Director's Report for the Board, and posted it to the district website.
- Developed and shared a monthly Board Update newsletter, highlighting regular School Board decisions.

9. **Developed and implemented a rural education division that allows for the integration of rural perspectives and priorities into all aspects of the Eastern School District's programs and initiatives.**

- Implemented a district-wide teacher focus group session, with a representative from each school, to discuss district strengths and needs.
- Completed in-district research on rural issues, including teacher allocation, class size, and the long-term sustainability of schools.
- Re-focused professional development efforts in Burin and Vista regions – using whole-region shut-downs – to focus on teaching strategies to support the on-going challenges of rural schools.

10. **The development and implementation of strategies and initiatives focused specifically on improving learner outcomes.**

- Secured additional support from the Department of Education to focus on special services teacher professional development.
- Deployed Behavior Support Specialists (in partnership with the Department of Education) to work with teachers of behavioral (criteria E) disorder students.
- Continued with implementation of the provincial School Development model throughout the district. Program Specialists collaborated with schools in the review of their school development plans and organized and facilitated school close-outs to address this new model.
- Completed a new K-6 Report Card for implementation in September 2006.
- Developed a draft literacy plan which will be reviewed next year within the context of the District's Strategic Plan.
- Eastern School District students participated in all Skills Canada provincial technology and skilled trades competitions at the junior and senior high school levels. Our District produced 90 per cent of the provincial champions at the National Skills Canada Competition held in Halifax, Nova Scotia in May 2006.



- Continued with initiatives to support and extend student learning, and to display student achievements, including Regional Drama Festivals, Historica Fairs, Regional Enterprise Showcase, Art Exhibits, Math League Competitions, Public Speaking events, Tutoring for Tuition, Tutoring Work Experience Program, Enterprise Showcase, night school, and summer school.
- Secured a \$29,000 Literacy grant to extend the Significant Others as Reading Teachers (SORT) Program for children ages 0-6 in the Burin region.
- Partnered with the Department of Education in a Music Cost Share Program to purchase in excess of \$560,000 in music resources for classroom and school instrumental music programs.
- Choral Connections 2006 involved over 2,400 students and teachers from Eastern School District in performances and clinics that focused on movement, percussion and choral work.
- Continued our recruitment of international students, through the Newfoundland International Student Education Program (NISEP). Ninety-one foreign students were part of the program this past year.
- Expanded the Intensive Core French Program to three new schools: St. Edward's Elementary, All Hallows Elementary and Clarendville Middle School.
- Hired two district Itinerant teachers to provide support to many of our schools in the area of effective inclusion of special needs students through the provision of many professional development opportunities, as well as, school level consultations.

Table 1: Comparison of Final Course Results for Eastern School District and Province, June 2006 Public Exam Courses.

Course	Final Mark		% Pass Course	
	Eastern School District	Province	Eastern School District	Province
French 3200	72.29	70.82	98.28	96.53
Français (FI) 3202	69.60	70.03	98.54	98.85
Mathematics 3204	59.47	60.14	75.86	77.16
Mathematics 3205	76.23	75.96	96.41	97.10
World History 3201	68.81	67.20	91.75	89.20
World Geography 3202	65.50	66.33	93.65	94.22
Histoire Mondiale 3231	71.25	69.66	96.76	93.51
Biology 3201	65.46	65.23	89.72	88.90
Chemistry 3202	67.39	67.12	89.32	88.31
Physics 3204	69.74	70.34	89.93	90.82
Earth Systems 3209	61.04	61.26	82.27	83.06
English Language Arts 3201	64.91	64.45	92.61	92.50

Table 2: Comparison of Language Arts and Mathematics Provincial Assessment Results for Eastern School District and Province, 2005.

Language Arts Provincial Assessments			
Level	Subscore	Percentage of Students Achieving At or Above the Provincial Standard	
		Eastern School District	Province
Primary	Reading	52.4	50.5
	Writing	78.5	75.8
Elementary	Reading	71.8	69.9
	Writing	86.5	83.1
Intermediate	Reading	68.1	65.9
	Writing	79.7	77.2
Mathematics Provincial Assessments			
Level	Average Score		
	Eastern School District	Province	
Primary	56.0	55.3	
Intermediate	55.2	54.8	

Public Examination Results, 2005

Course	Eastern District		Province	
	Avg. Final Mark	Final Pass Rate	Avg. Final Mark	Final Pass Rate
French 3200	72.9	97.2	71.9	95.8
Français (FI) 3202	72.8	99.7	72.9	99.5
Mathematics 3204	66.3	83.7	66.1	83.4
Mathematics 3205	75.5	96.5	75.4	97.2
World History 3201	67.4	90.6	66.6	89.0
World Geography 3202	66.5	93.1	67.0	93.2
Histoire mondiale 3231	68.8	94.0	68.0	91.5
Biology 3201	62.0	84.0	61.9	83.5
Chemistry 3202	66.7	89.3	66.1	88.8
Physics 3204	67.2	87.8	67.4	89.0
Earth Systems 3209	63.8	87.7	63.8	88.1
English 3201	64.9	93.5	64.7	93.3

Summary Statements:

1. Eastern School District had higher average final marks than the province in French 3200, Mathematics 3204, Mathematics 3205, World History 3201, Histoire mondiale 3231, Biology 3201, Chemistry 3202 and English 3201.

2. Eastern School District had lower average final marks than the province in Français (FI) 3202, World Geography 3202 and Physics 3204.

3. Eastern School District had a higher final pass rate than the province in French 3200, Français (FI) 3202, Mathematics 3204, World History 3201, Histoire mondiale 3231, Biology 3201, Chemistry 3202 and English 3201.

4. Eastern School District had a lower final pass rate than the province in Mathematics 3205, World Geography 3202, Physics 3204 and Earth Systems 3209.

Challenges

1. Staffing

The size of the District and staffing resources has posed a significant challenge in planning and responding to parent/public enquiries and concerns. As well, basic district operational functions crucial for effective operations and support for schools, such as procurement, maintenance, administrative support, complete preventive maintenance, the smooth flow of correspondence, and tracking of cost center item expenditures, are slowed.

Challenges remain around recruitment of Speech Language personnel and other student support specialist teachers

2. Vandalism

Responding to ever increasing incidents of vandalism, both external and internal, is a major challenge. Graffiti and glass breakage are common, especially in the larger urban areas. In addition, internal vandalism to door and window hardware, washroom cubicles, plumbing and electrical components continues to be problematic, and costly.

3. Program Support

An ongoing challenge this year was reaching, in a meaningful way, as many schools as possible, with the "Living Healthy" message. To affect change in philosophy and practice of school communities in this area, it is not sufficient to simply deliver the message. The message must be followed with an appropriate amount of support such that schools will

receive, adopt and implement the philosophy because they see it as valued by the District and important for the well being of their students and staff. While challenges exist, the Board recognizes the Department of Education's support for additional physical education equipment in Budget 2005. There continues to be challenges in implementing the new mathematics curriculum, in particular teacher professional development and parental education/support.

4. Recruitment/ Retention of District Leadership Personnel

The district continues to be challenged to recruit and retain personnel in senior district leadership positions. The major issues identified through exit interviews are a) workload, and b) compensation. Current compensation packages for some senior management positions are less than that of school principals.

The district has experienced 11 personnel changes in district leadership/leadership support positions in its first 2 years of operation. This high rate of turnover has made it highly difficult to establish continuity, and to develop a consistent, team approach to moving the district forward, and positively impact schools and students. Unless this issue is addressed, it will have negative long-term effects on our district and students.

Opportunities

Schools within Eastern School District continue to use detailed performance measures to identify areas for improvement. Staff commitment and dedication throughout the district is strong, and they are focused on achieving the Board's vision. This provides a strong base of opportunity for the future for the Eastern School District.

- The development of, and support for, a visionary provincial Technology Plan has great potential for providing direction and encouragement for the effective use of ICLT and learning in Newfoundland schools, which can also be a model to the world. Eastern School District is well-positioned to be a partner in this initiative.
- As a follow-up from a two-day professional development session on Positive Behavior Support, schools have shown a strong

commitment to continue work around issues in Safe and Caring schools.

- New pilot implementation of skilled-trades courses and the advanced technology equipment to support it can transform our youth into technically competent graduates, some of whom will choose careers in these burgeoning fields.
- The District has great potential to work with the district leaders in transforming schools and following the professional learning community model. However, government support (and change of current policy) must be forthcoming to support the recruitment and retention of district leaders.



**Financial Statements
2005-06**

**EASTERN SCHOOL DISTRICT
REPORT AND FINANCIAL STATEMENTS**

June 30, 2006

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AUDITOR'S REPORT

To the Board Members of:
Eastern School District

I have audited the balance sheet of the current and capital funds of the Eastern School District as at June 30, 2006 and the related statements of current revenues, expenditures and District deficiency, cash flows and changes in capital fund for the year then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

The accounting policy with respect to the Board's capital assets is described in Note 1. Canadian generally accepted accounting principles require that not for profit organizations record all capital assets at cost and amortize them over their estimated useful lives. Energy Retrofit costs are the only costs that have been amortized (see note 1 and schedule 7). In this respect, these financial statements are not in accordance with Canadian generally accepted accounting principles. Furthermore, information concerning the costs and estimated useful lives of buildings and building improvements, as well as other capital asset additions prior to September 1, 2004, are not readily available. If the Board's capital assets were recorded in accordance with Canadian generally accepted accounting principles, changes to the amounts reported for capital assets, investment in capital assets, expenditures and excess of expenditures over revenue would be necessary.

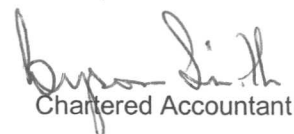
The accounting policy with respect to Teachers' Severance Pay and Teachers' Vacation Pay are described in Note 2 and Note 5 respectively. Canadian generally accepted accounting principles require that all accounts receivable should be recorded and disclosed on the financial statements. The liability for Teachers' Severance Pay has been recorded but no offsetting receivable has been recorded. In this respect, these financial statements are not in accordance with Canadian generally accepted accounting principles. If the accounts receivable were recorded in accordance with Canadian generally accepted accounting principles, changes to the amounts reported for accounts receivable, revenue, and excess of expenditures over revenue would be necessary.

In my opinion, except for the effects of the failure to record amortization and accounts receivable as described in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Board as at June 30, 2006 and the results of its operations and changes in its capital financial position for the year then ended in accordance with Canadian generally accepted accounting principles and as explained in Note 1 to the financial statements, and are in compliance with reporting requirements established for School Boards in the Province of Newfoundland and Labrador by the Department of Education.

The comparative amounts have been changed to correct an isolated accounting error, see note 19.

The comparative amounts are for the ten month period ended June 30, 2005.

August 14, 2006
Spaniard's Bay



Chartered Accountant

**Eastern School District
Balance Sheet**

As At June 30, 2006	2006	(Note 17) 2005
Assets		
Current		
Cash (supp. Info. 1)	\$ 5,219,179	\$ 2,590,266
Short-term investments (supp. Info. 2)	155,889	155,889
Accounts receivable (note 4)	4,366,472	4,641,079
Teachers' vacation pay (note 5)	28,279,293	28,541,036
Prepaid expenses (supp. info. 3)	<u>472,779</u>	<u>482,307</u>
	38,493,612	36,410,577
Capital assets (schedule 7)	306,427,297	294,694,822
Deferred costs (note 12)	716,350	1,090,097
Long-term receivables - from Province (note 20)	<u>1,171,871</u>	<u>1,171,871</u>
	<u>\$346,809,130</u>	<u>\$333,367,367</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 7,970,044	\$ 6,722,733
Current maturities (schedule 8B)	869,430	952,062
Teachers' vacation pay (note 5)	28,279,293	28,541,036
Current portion of obligation under capital lease (note 11)	<u>786,292</u>	<u>643,542</u>
	37,905,059	36,859,373
Long-term debt (schedule 8)	4,441,843	4,977,433
Obligation under capital lease (note 11)	3,683,987	4,120,878
Teachers' severance pay benefits (note 2)	49,100,384	49,100,268
Other employee severance pay accrual	4,700,471	4,941,006
Other employee benefits (note 10)	<u>477,738</u>	<u>432,709</u>
	<u>100,309,482</u>	<u>100,431,667</u>
District Equity		
Investment in capital assets (note 9)	300,031,417	286,743,926
District deficiency (note 19)	<u>(53,531,769)</u>	<u>(53,808,226)</u>
	<u>246,499,648</u>	<u>232,935,700</u>
	<u>\$346,809,130</u>	<u>\$333,367,367</u>
Contingent Liability (Note 16)		

On Behalf of the Board:

 Chairperson

 Treasurer

**Eastern School District
Statement of Current Revenue, Expenditures and District Deficiency**

For the Year Ended June 30, 2006	2006	(Note 17) 2005
Current Revenue (Schedule 1)		
Provincial Government grants	\$301,567,827	\$290,625,859
Ancillary services	44,132	26,772
Miscellaneous	<u>688,613</u>	<u>718,414</u>
	<u>302,300,572</u>	<u>291,371,045</u>
Current Expenditures		
Administration (Schedule 2)	4,513,620	4,222,005
Instruction (Schedule 3)	247,195,027	244,308,039
Operations and maintenance (Schedule 4)	28,046,912	23,451,010
Pupil transportation (Schedule 5)	19,661,974	17,554,457
Ancillary services (Schedule 6)	131,410	120,882
Interest (Schedule 8C)	372,202	311,802
Amortization of deferred costs (Note 12)	373,747	311,456
Miscellaneous (Schedule 6)	<u>102,075</u>	<u>203,312</u>
	<u>300,396,967</u>	<u>290,482,963</u>
Excess of revenue over expenditures before underrated items	1,903,605	888,082
Transfer (to) capital (Note 9)	<u>(1,627,032)</u>	<u>(1,364,995)</u>
Excess of revenue over expenditures before teachers' severance	276,573	(476,913)
Net change in teachers' severance liability (Note 2)	<u>116</u>	<u>(846,656)</u>
Excess of revenue over expenditures	<u>\$ 276,457</u>	<u>\$ 369,743</u>
<hr/>		
District deficiency, beginning of the year (Note 19)	\$ (53,808,226)	\$ (54,177,969)
Excess of revenue over expenditures	<u>276,457</u>	<u>369,743</u>
District deficiency, end of the year	<u>\$(53,531,769)</u>	<u>\$(53,808,226)</u>

**Eastern School District
Statement of Cash Flows**

For the Year Ended June 30, 2006

2006

(Note 17)
2005

CASH PROVIDED BY OPERATING ACTIVITIES

Excess of revenue over expenditures	\$ 276,457	\$ 369,743
Items not affecting cash:		
Amortization of deferred costs	373,747	311,456
Amortization of energy retrofit	814,739	688,430
Severance pay accrual	(240,535)	181,708
Teachers severance liability	116	(846,656)
Other employee benefits liability	45,029	(14,568)
Changes in non-cash working capital balances:		
Short term investments		(75,737)
Accounts receivable	274,607	923,332
Prepaid expenses	9,528	454,282
Accounts payable and accrued liabilities	<u>1,247,311</u>	<u>(338,354)</u>
	<u>2,800,999</u>	<u>1,653,636</u>

INVESTING ACTIVITIES

Additions to Property and Equipment	(12,547,214)	(4,967,333)
Change in investment in capital assets	13,287,491	5,666,303
Change in long-term receivable		(64,871)
Change in reserve fund		<u>(110,202)</u>
	<u>740,277</u>	<u>523,897</u>

FINANCING ACTIVITIES

Proceeds from obligation under capital lease	415,597	182,035
Repayment of obligation under capital lease	(709,738)	(168,130)
Proceeds from long-term borrowings	488,000	233,200
Repayment of long-term debt	<u>(1,106,222)</u>	<u>(1,200,937)</u>
	<u>(912,363)</u>	<u>(953,832)</u>

Change in cash resources	2,628,913	1,223,701
Cash, beginning of the year	<u>2,590,266</u>	<u>1,366,565</u>
Cash, end of the year	<u>\$ 5,219,179</u>	<u>\$ 2,590,266</u>

Supplementary cash flow information:

Interest paid	\$ 372,202	\$ 311,802
Interest paid - bussing loans	<u>134,355</u>	<u>104,698</u>
	<u>\$ 506,557</u>	<u>\$ 416,500</u>

**Eastern School District
Statement of Changes in Capital Fund**

For the Year Ended June 30, 2006

2006

(Note 17)
2005

70 Capital receipts

71 Proceeds from bank loans

011 School construction		
012 Equipment	\$ 488,000	\$ 233,200
013 Service vehicles		
014 Pupil transportation		
015 Other and capital lease	<u>415,598</u>	<u>182,035</u>
	<u>903,598</u>	<u>415,235</u>

72 EIC grants

011 School construction and equipment	12,606,684	4,052,217
012 Other - special grants for debt repayment	<u> </u>	<u> </u>
	<u>12,606,684</u>	<u>4,052,217</u>

73 Donations

011 Cash receipts	<u> </u>	<u> </u>
012 Non-cash receipts	<u> </u>	<u> </u>
013 Restricted use	<u> </u>	<u> </u>

74 Sale of capital assets - proceeds

011 Land and 012 buildings	<u> </u>	<u> </u>
013 Equipment	<u> </u>	<u> </u>
014 Service vehicles	<u> </u>	<u> </u>
015 Pupil transportation vehicles	<u> </u>	<u> </u>
016 Other	<u> </u>	<u> </u>

75 Other capital revenues

011 Interest on capital fund investments		
012 Premiums on debentures		
013 Recoveries of expenditures	347,017	15,957
015 Insurance proceeds		
016 Native peoples grants		
017 Miscellaneous		
Gain on sale of capital assets		
Department of Education technology grants		
Cost sharing for technology grants	<u> </u>	<u> </u>
	<u>347,017</u>	<u>15,957</u>

78 Transfer from (to) current fund

	<u>1,627,032</u>	<u>1,364,995</u>
	<u>\$ 15,484,331</u>	<u>\$ 5,848,404</u>

Eastern School District
Statement of Changes in Capital Fund (Cont'd)

For the Year Ended June 30, 2006

2006

(Note 17)
2005

80 Capital disbursements

81 Additions to capital assets

011 Land and sites		
012 Buildings	\$ 12,539,227	\$ 4,095,055
013 Furniture and equipment - School	640,045	277,539
014 Furniture and equipment - other		
015 Service vehicles	465,799	27,664
016 Pupil transportation		26,397
017 Other		52,682
	<u>13,645,071</u>	<u>4,479,337</u>

82 Principal repayment of long-term debt

011 School construction		
012 Equipment	1,249,936	1,369,067
013 Service vehicles		
014 Energy Performance Contract	566,025	
	<u>1,815,961</u>	<u>1,369,067</u>

83 Miscellaneous disbursements

013 Other (decrease in capital payables)	<u>23,299</u>	
	<u>\$ 15,484,331</u>	<u>\$ 5,848,404</u>

**Eastern School District
Notes to Financial Statements**

For the Year Ended June 30, 2006

Nature of Operations

The Eastern School District is responsible for the operations and maintenance of all schools in the Eastern portion of the Province of Newfoundland and Labrador. The District was formed August 31, 2004 after the Government of Newfoundland and Labrador dissolved four previous boards known as Vista School District, Burin School District, Avalon West School District, and Avalon East School District.

1. Significant Accounting Policies

These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of accounting policies summarized below:

Fund Accounting

The accompanying financial statements have been prepared on a fund accounting basis which is generally accepted for School Boards. Fund accounting can be defined as "accounting procedures in which a self balancing group of accounts is provided for each fund." It is customary for School Boards to account separately for the current and capital funds. These financial statements include both the current and capital funds on a combined basis.

Revenue

The District's main source of funding is derived from the Government of Newfoundland and Labrador, Department of Education ("the Department"). The Department provides funding for operations, transportation, capital expenditures and teacher salaries and severance pay. Funding designated for specific purposes is deferred and included in revenue when the related expenditures have been incurred.

Capital Assets

Capital assets assumed by the District on August 31, 2004, as a result of legislation passed pursuant to the Schools Act and the Education Act, are recorded based on the Net Book Values shown on the audited financial statements of the predecessor entities. Subsequent additions are only capitalized if they represent items of a major nature. Replacement items such as furniture and equipment are considered a current year expenditure. Proceeds are credited to appropriate property accounts and gains or losses are not recorded. The Board does not calculate or record amortization on any of its capital assets. However, deferred costs for the energy retrofit project are amortized on the straight-line basis over a period of seven years.

All additions to buildings and building improvements administered by the Government of Newfoundland and Labrador, Department of Works, Service and Transportation have not been reflected in these financial statements. The total cost of new additions to School Buildings during the year was \$ 12,539,227. The carrying value of School Buildings torn down during the year was \$ 1,043,531, resulting in net additions of \$ 11,495,696, see schedule 7. The total cost of new additions to School Equipment during the year was \$ 640,045. The carrying value of School Equipment removed during the year was \$ 54,326 resulting in net additions of \$ 585,719, see schedule 7.

Teachers' and Student Assistants' Payroll

The Government of Newfoundland and Labrador processes the payrolls and remits the source deductions directly to the appropriate agencies. The amounts recorded in the financial statements represent gross salaries for the year.

Eastern School District
Notes to Financial Statements

For the Year Ended June 30, 2006

1. Significant Accounting Policies (Cont'd)

Pension Costs

All permanent employees of the District are covered by pension plans administered by the Government of Newfoundland and Labrador. Contributions to these plans are required from both the employee and the District. Post retirement obligations to employees are the responsibility of the Government of Newfoundland and Labrador and, as such, the employer contributions for pensions and other retirement benefits are recognized in the accounts on a current basis.

Other Severance Pay Accrual

The District records severance pay liability for employees other than teachers. Employees are entitled to one week of severance pay for each year of service to a maximum of twenty weeks once they reach 9 years of service with the District.

Use of Accounting 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 revenue and expenditures during the reporting periods. Actual results could differ from those estimates.

2. Teachers' Severance Pay Benefits

Pursuant to a directive issued by the Department during fiscal 1998, the District recorded severance pay for teachers in the District. The Schools Act specifies that salaries and other compensation for teachers are the responsibility of the Department. The District received written approval from the Minister of Education for the deficit arising from the Department's requirement for the teachers' severance.

The net change in the liability for the year ended is as follows:

	<u>2006</u>	(Note 17) <u>2005</u>
Balance, beginning of the year	\$ 49,100,268	\$ 49,946,924
Net (decrease), increase for the period	<u>116</u>	<u>(846,656)</u>
Balance, end of the year	<u>\$ 49,100,384</u>	<u>\$ 49,100,268</u>

3. Bond Coverage

At balance sheet date, the Insurance Division of Treasury Board carried fidelity bond coverage covering District employees as follows:

Assistant Director of Finance and Administration and District employees	\$ 100,000
Principals, Vice Principals and Staff	\$ 100,000

This coverage was implemented for each of the former Boards making up the new Eastern School District. Considering the significant increase in revenue under the new Eastern School District the Board should examine the adequacy of this coverage.

**Eastern School District
Notes to Financial Statements**

For the Year Ended June 30, 2006

4. Accounts Receivable

	(Note 17)	
	<u>2006</u>	<u>2005</u>
Current		
11 131 Provincial Government	\$ 2,758,687	\$ 3,036,885
132 Transportation	222,802	143,137
133 Federal Government		
134 Insurance		
138 Interest		
139 Travel advances and miscellaneous	931,186	752,296
140 Goods and Service Tax Rebate	375,468	706,342
141 Eastern School District		
Capital		
11 231 Provincial Gov't -construction grants	78,329	2,419
235 Other		
	<u>\$ 4,366,472</u>	<u>\$ 4,641,079</u>

5. Teachers' Vacation Pay

Pursuant to a directive issued by the Department during the fiscal year 2006, the District recorded the vacation pay liability for teachers in the District. The liability relates to teachers' salaries earned during the school year but not fully paid to teachers until subsequent to June 30. Although the directive requested that a receivable from the Department for the liability not be recorded, the Schools Act specifies that salaries and other compensation for teachers are the responsibility of the Department. Accordingly, the District has recorded teachers' vacation pay receivable of \$ 28,279,293 at June 30, 2006, (2005 - \$ 28,541,036).

6. Bank Indebtedness

21 131 On operating credit	\$	\$
132 On capital account	_____	_____
	<u>\$</u>	<u>\$</u>

The District had an authorized operating demand loan of \$4,000,000, bearing interest at Royal Bank prime less 0.65% which was unused as at June 30, 2006 and June 30, 2005. In accordance with the Schools Act 1997, the operating demand loan was supported by a letter of approval to borrow provided by the Minister of Education. This authorized operating demand loan expired June 30, 2006.

Eastern School District
Notes to Financial Statements

For the Year Ended June 30, 2006

7. Accounts Payable and Accrued Liabilities

	(Note 17)	
Current	<u>2006</u>	<u>2005</u>
21 111 Trade payables	\$ 2,179,697	\$ 3,151,766
112 Accrued liabilities	671,074	446,115
114 Wages	140,567	83,028
115 Payroll deductions	551,987	501,508
117 Deferred grants	1,529,046	764,143
118 Other - Specify		
Vacation pay accrual	1,442,245	1,254,876
Scholarship fund	120,194	109,441
N.I.S.E.P, a related corporation	462,579	
Capital		
21 211 Trade payable (note 18)	465,799	
212 Accrued Liabilities		5,000
213 Accrued interest		
217 Deferred Grants	<u>406,856</u>	<u>406,856</u>
	<u>\$ 7,970,044</u>	<u>\$ 6,722,733</u>

8. Reserve Account

	(Note 17)	
	<u>2006</u>	<u>2005</u>
Balance, beginning of year	\$	\$ 110,202
Less transfer from reserve	<u> </u>	<u>110,202</u>
Add transfer to reserve	<u> </u>	<u> </u>
Balance, end of year	<u>\$ NIL</u>	<u>\$ NIL</u>

**Eastern School District
Notes to Financial Statements**

For the Year Ended June 30, 2006

9. Investment in Capital Assets

	<u>2006</u>	(Note 17) <u>2005</u>
Investment in capital assets, beginning of the year	\$286,743,926	\$281,077,620
Add:		
Grants - contributions for capital construction	12,606,685	4,152,665
Proceeds from sale of capital assets		
Gain on sale of capital assets		
Recoveries of expenditures		
Insurance proceeds - capital		
Capital purchases out of revenue	158,091	144,530
Miscellaneous		
School contributions		
Principal repayment paid with operating grants	<u>1,620,675</u>	<u>1,369,111</u>
	<u>301,129,377</u>	<u>286,743,926</u>
Deduct adjustments:		
Cost of assets disposed		
Building and equipment	1,097,960	
Pupil transportation vehicles		
Other		
Government of Newfoundland and Labrador adjustments		
Adjustment to carrying value of certain capital assets		
Doubtful Accounts	<u> </u>	<u> </u>
	<u>1,097,960</u>	<u> </u>
23 221 Investment in capital assets, end of the year	<u>\$300,031,417</u>	<u>\$286,743,926</u>

10. Other Employee Benefits

	<u>2006</u>	(Note 17) <u>2005</u>
Pension plan	\$ (9,213)	\$ (6,326)
Unused pre-1985 sick leave	<u>486,951</u>	<u>439,035</u>
	<u>\$ 477,738</u>	<u>\$ 432,709</u>

The District charges operations with the amount of benefits accruing to employees in each year.

The District has recorded the obligation to pay certain employees at the termination of their employment for unused sick leave accumulated prior to January 1, 1985.

**Eastern School District
Notes to Financial Statements**

For the Year Ended June 30, 2006

11. Obligation Under Capital Leases

The District has entered into a capital lease with Royal Bank of Canada to finance its Energy Performance capital expenditures (EPC). The lease is for \$3,000,000 for 5 years with a purchase option of \$2,750,000 at the end of the term.

The District also entered into capital leases with the Royal Bank of Canada for various photocopy equipment. The leases total \$762,145 for 5 years with a purchase option of \$10 at the end of the term.

Future minimum payments under these capital leases is as follows for the year ending in:

	<u>Risographs</u>	<u>EPC</u>	<u>Copiers</u>	<u>Total</u>
2007	\$ 93,204	\$ 616,920	\$ 323,292	\$ 1,033,416
2008	93,204	565,510	225,587	884,301
2009	93,204			93,204
2010	93,204			93,204
2011	<u>54,369</u>			<u>54,369</u>
	427,185	1,182,430	548,879	2,158,494
Add: Purchase option price		2,750,000		2,750,000
Less: amount representing interest	<u>43,670</u>	<u>269,452</u>	<u>125,093</u>	<u>438,215</u>
	383,515	3,662,978	423,786	4,470,279
Less: current portion	<u>76,809</u>	<u>472,088</u>	<u>237,395</u>	<u>786,292</u>
	<u>\$ 306,706</u>	<u>\$ 3,190,890</u>	<u>\$ 186,391</u>	<u>\$ 3,683,987</u>

Interest has been imputed at a rate of 4.20% for the EPC and 2004 Copier leases.

Interest has been imputed at a rate of 5.224% for the 2006 Risograph lease.

12. Deferred Costs

A predecessor School Board had entered into a sale lease contract with the Royal Bank of Canada for their Energy Performance contract. A gain of \$1,868,737 was recorded upon sale of these assets. This gain is amortized over sixty months. During the year \$ 373,747 (2005 - \$311,456) was recorded as amortization expense in the financial statements.

13. Lease Commitments

The District is committed under the terms of various operating leases to make payments in the next five years approximately as follows:

2007	\$ 542,877
2008	\$ 470,266
2009	\$ 262,389
2010	\$ 97,375
2011	\$ 88,577

14. Financial Instruments

The carrying value of the Districts financial instruments, with the exception of long-term receivables, approximate fair values due to the short-term maturity and normal credit terms of those instruments. The long-term receivables balance does not approximate fair value as it is non-interest bearing.

**Eastern School District
Notes to Financial Statements**

For the Year Ended June 30, 2006

15. Insurance Subsidy

The cost of insuring school properties is borne by the Provincial Government and no amount has been recorded in these accounts to reflect this cost.

16. Contingent Liability

Site restoration and remediation costs associated with school properties under the District are charged to operations as incurred. Estimated future site restoration and remediation costs have not been accrued in these financial statements since the obligation, if any, is presently not determinable.

The Board has a potential liability for accumulated sick leave to its employees in the amount of \$11,225,000. This amount has not been included in the financial statements. The amount is calculated based on Board policy and on an interpretation of the agreement with unionized employees. Any payments to employees for sick leave is expensed in the period such payments are incurred.

17. Comparative Figures

The comparative figures are for the ten months ended June 30, 2005. Certain of the 2005 amounts have been reclassified to conform with the financial statement presentation adopted for 2006.

18. Subsequent Events

Subsequent to June 30, 2006, the Board applied for financing in the amount of \$465,799 to fund the purchase of school busses acquired in the current fiscal period. This amount was included in accounts payable at year end, see note 7.

19. Correction on an Isolated Accounting Error in a prior period

During the 2006 audit process an error was discovered in the 2005 financial statements. This isolated accounting error was an over accrual of a specific accounts receivable in the amount of \$ 616,920. The result of this correction was to reduce revenue and reduce accounts receivable in 2005. This error has been corrected retroactively. Closing equity for 2005 was restated as follows:

District deficiency, as previously stated June 30, 2005	\$ (53,191,306)
Reduction in revenue - Provincial Government Grants	<u>(616,920)</u>
District deficiency, as restated June 30, 2005	\$ <u>(53,808,226)</u>

20. Long term receivable - from Province

This represents costs incurred by a predecessor School Board to satisfy an Energy Performance Contract. These costs are to be recovered from the Province of Newfoundland and Labrador. This amount has been confirmed with the Province but payment terms have not been provided.

21. Security for Long Term Debt

Various long term debt arrangements have been secured by a guarantee from the Province of Newfoundland and Labrador.

**Eastern School District
Schedule 1
Current Revenues**

For the Year Ended June 30, 2006

2006

(Note 17)
2005

Current Revenues

32 010 Provincial Government Grants

011 Regular operating grants	\$ 42,010,873	\$ 36,632,804
016 Special grants		
French immersion		
Official language monitor		
French language recuperation		
Textbook credit allocation		
Communication technology		
Other		
Salaries and benefits		
017 Directors and assistant directors	1,378,525	1,747,194
021 Regular teachers	232,298,147	229,391,605
Teachers' severance	116	(846,656)
022 Substitute teachers		
Student assistants	6,241,880	6,191,199
030 Pupil transportation		
031 Board owned	2,980,774	2,644,113
032 Contracted	14,616,103	13,254,936
033 Handicapped	<u>2,041,409</u>	<u>1,610,664</u>

301,567,827 290,625,859

33 010 Donations

012 Cash receipts		
013 Non cash receipts		
014 Restricted use		

34 010 Ancillary Services

011 Revenues from rental of residences		
021 Revenues from rental of Schools and facilities (Net)	44,132	26,772
031 Cafeterias		
032 Other		
	<u>44,132</u>	<u>26,772</u>

**Eastern School District
Schedule 1 (Cont'd)
Current Revenues**

For the Year Ended June 30, 2006	<u>2006</u>	(Note 17) <u>2005</u>
35 010 Miscellaneous		
011 Interest on investments and bank	\$ 210,151	\$ 84,717
012 Bus charters		
021 Recoveries of expenditures (workers' compensation)		
031 Revenues from other School Districts		
051 Insurance proceeds		
061 Bilingual education revenue		
071 Operating revenue from native peoples grant		
081 Miscellaneous federal grants: Special Projects	28,415	21,278
091 Textbooks	351,169	388,189
092 Other		
Summer and night school fees - net	(8,475)	25,143
Gain on sale of capital assets		
Technology support initiative		
Sundry	107,353	199,087
093 Grant - MUN	<u> </u>	<u> </u>
	<u>688,613</u>	<u>718,414</u>
Total Current Revenues	<u>\$194,684,120</u>	<u>\$291,371,045</u>

Eastern School District
Schedule 2
Administration Expenditures

For the Year Ended June 30, 2006

2006

(Note 17)
2005

51 Salaries and benefits		
011 Directors and assistant directors	\$ 1,378,525	\$ 1,451,484
012 Board office personnel	1,920,106	1,902,458
013 Office supplies	52,312	45,897
014 Replacement furniture and equipment	7,259	1,547
015 Postage	27,661	33,675
016 Telephone	109,873	120,219
017 Office equipment rentals and repairs	41,976	29,374
018 Bank charges	2,646	4,784
019 Electricity	75,004	77,910
021 Fuel	5,247	6,287
023 Repairs and maintenance (office building)	4,350	270
024 Travel	129,460	70,097
025 Board meeting expenses	123,913	59,831
026 Election expenses	74,485	
027 Professional fees	169,131	84,337
028 Advertising	67,685	53,368
029 Membership dues	63,531	70,000
031 Municipal service fees	4,246	7,373
032 Rental of office space	<u>256,210</u>	<u>203,094</u>
Total Administration expenditures	<u>\$ 4,513,620</u>	<u>\$ 4,222,005</u>

**Eastern School District
Schedule 3
Instruction Expenditures**

For the Year Ended June 30, 2006

2006

(Note 17)
2005

52 010 Instructional Salaries (Gross)

Teachers' salaries		
011 Regular	\$ 186,622,230	\$ 187,402,789
012 Substitute	7,774,098	6,992,089
013 Board paid		
Teachers' severance (net change in liability)	116	(846,656)
014 Augmentation		
015 Employee benefits	33,927,919	32,768,166
016 School secretaries - salaries and benefits	4,329,881	4,245,822
017 Payroll tax	4,106,889	3,534,746
018 Other		
Co-operative education		
IT Salaries and benefits	550,997	605,634
Salaries and benefits - program assistants	61,179	66,150
Salaries and benefits - student assistants	<u>6,182,214</u>	<u>5,220,440</u>

243,555,523 239,989,180

52 040 Instructional Materials

041 General supplies	1,321,852	1,441,216
042 Library resource materials	115,101	139,906
043 Teaching aids	1,254,091	1,503,162
044 Textbooks	334,716	392,097
045 Other - Special and regional services		

3,025,760 3,476,381

52 060 Instructional Furniture and Equipment

061 Replacement	45,478	303,987
062 Rentals and repairs		2,010
063 Salary and benefits - computer technicians		

45,478 305,997

50 080 Instructional Staff Travel

080 IT Travel	49,732	29,056
081 Program co-ordinators	326,274	321,301
082 Teachers' travel	55,892	55,744
083 Inservice and conferences	<u>96,361</u>	<u>115,528</u>

528,259 521,629

52 090 Other Instructional Costs

091 Postage and stationary	<u>40,007</u>	<u>14,852</u>
----------------------------	---------------	---------------

Total instruction expenditures \$247,195,027 \$244,308,039

**Eastern School District
Schedule 4
Operations and Maintenance Expenditures - Schools**

For the Year Ended June 30, 2006

2006

(Note 17)
2005

53

Salaries		
011 Janitorial	\$ 11,513,079	\$ 9,954,181
012 Maintenance	940,162	788,029
013 Payroll tax	206,020	162,788
014 Electricity	6,728,173	6,005,934
015 Fuel	1,639,062	1,441,486
016 Municipal service fee	592,018	636,531
017 Telephone	1,247,333	804,556
018 Vehicle operating and travel	193,441	150,633
019 Janitorial supplies	651,358	594,815
021 Janitorial equipment	45,561	26,649
022 Repairs and maintenance - buildings	3,099,138	1,823,935
023 Equipment maintenance	9,975	8,873
025 Snow clearing	1,181,592	1,044,350
096 Rental of school space		8,250
	<hr/>	<hr/>
Total operations and maintenance	<u>\$ 28,046,912</u>	<u>\$ 23,451,010</u>

**Eastern School District
Schedule 5
Pupil Transportation Expenditures**

For the Year Ended June 30, 2006

2006

(Note 17)
2005

54 010 Operation and Maintenance of Board Owned Fleet

Salaries and Benefits

011 Administration	\$ 111,832	\$ 80,186
012 Drivers and Mechanics	1,453,270	1,395,398
013 Payroll Tax	23,580	23,507
014 Debt Repayment- Interest	134,355	104,698
015 Principal	347,019	275,734
017 Gas and oil	417,675	335,081
018 Licenses	30,588	29,642
019 Insurance	52,887	36,481
021 Repairs and Maintenance - Fleet	246,628	264,414
022 Building	12,854	9,146
023 Tires and Tubes	40,522	29,853
024 Heat and Light	9,039	8,539
025 Municipal Service	590	817
026 Snow Clearing	4,471	2,435
027 Office Supplies	6,187	13,010
029 Travel	5,318	4,732
031 Professional Fees	6,625	4,000
032 Miscellaneous	27,437	5,297
033 Telephone	32,708	29,437

2,963,585 2,652,407

54 040 Contracted Services

041 Regular transportation	14,561,112	13,211,451
042 Handicapped	2,041,409	1,610,664
047 Salaries	95,868	79,935

Pupil transportation expenditures

\$ 19,661,974 \$ 17,554,457

Eastern School District
Schedule 6
Ancillary Services and Miscellaneous Expenses

For the Year Ended June 30, 2006

2006

(Note 17)
2005

Ancillary Services

The Board operates the following ancillary services:

55 Ancillary services

011 Operation of teachers' residences
031 Cafeterias
032 Other - Vehicle operating

\$	<u>131,410</u>	\$	<u>120,882</u>
\$	<u>131,410</u>	\$	<u>120,882</u>

Miscellaneous Expenses

The Board has incurred the following miscellaneous expenses:

57 011 Bad debt expense	\$	42,234	\$	135,081
Special incentive program				
Other miscellaneous expenditures		59,841		68,231
012 Provision for severance pay				
	\$	<u>102,075</u>	\$	<u>203,312</u>

**Eastern School District
Schedule 7
Details of Capital Assets**

For the Year Ended June 30, 2006

	NBV August 31, 2005	Additions-net	Amortization	NBV June 30, 2006
12 210 Land and Sites				
211 Land and sites	\$ 5,077,657			\$ 5,023,230
12 220 Buildings				
221 Schools	247,919,552	\$ 11,495,696		259,415,248
222 Administration	2,379,115			2,379,115
223 Residential	10,000			10,000
224 Recreational				
225 Other	152,886			152,886
	<u>250,461,553</u>	<u>11,495,696</u>		<u>261,957,249</u>
12 230 Furniture and Equip.				
231 Schools	27,450,215	585,719		28,090,361
232 Administration	3,173,731			3,173,731
233 Residential	850			850
234 Recreation				
235 Other	27,648			27,648
	<u>30,652,444</u>	<u>585,719</u>		<u>31,292,590</u>
12 240 Vehicles				
241 Service vehicles	231,504	465,799		697,303
12 250 Pupil Transportation				
251 Land				
252 Building	213,356			213,356
Vehicles				
253 Buses	5,095,806			5,095,806
254 Service	59,383			59,383
255 Equipment				
256 Other				
	<u>5,368,545</u>			<u>5,368,545</u>
12 260 Misc. Capital Assets				
Other				
Computers	894,464			894,464
Tools	18,163			18,163
261 Energy retrofit	1,691,815		\$ 814,739	877,076
Water lines	29,151			29,151
Resource lines	269,526			269,526
	<u>2,903,119</u>		<u>814,739</u>	<u>2,088,380</u>
Total Capital Assets	<u>\$294,694,822</u>	<u>\$ 12,547,214</u>	<u>\$ 814,739</u>	<u>\$306,427,297</u>

Eastern School District
 Schedule 8
 Details of Long-Term Debt

For the Year Ended June 30, 2006

(Note 17)
 2005

	<u>2006</u>	<u>2005</u>
Ref. #		
211 Bank Loans		
Repayable \$ <u>16,814</u> monthly, maturing <u>2007</u>	\$ 851,070	\$ 1,047,833
Repayable \$ <u>9,443</u> monthly, maturing <u>2014</u>	925,430	1,038,748
Repayable \$ <u>12,475</u> monthly, maturing <u>2010</u>	561,367	711,062
Repayable \$ <u>459</u> monthly, maturing <u>2006</u>	2,292	7,795
Repayable \$ <u>667</u> monthly, maturing <u>2009</u>		34,167
Repayable \$ <u>1,000</u> monthly, maturing <u>2009</u>		33,333
Repayable \$ <u>4,406</u> monthly, maturing <u>2008</u>		127,786
Repayable \$ <u>7,833</u> monthly, maturing <u>2009</u>	236,364	323,335
Repayable \$ <u>883</u> monthly, maturing <u>2007</u>	25,886	35,886
Repayable \$ <u>833</u> monthly, maturing <u>2006</u>		<u>1,667</u>
Total 211	<u>2,602,409</u>	<u>3,361,612</u>
212 Mortgages		
Total 212	_____	_____
213 Debentures		
repayable \$ _____ monthly, maturing _____		
repayable \$ _____ monthly, maturing _____		
Total 213	_____	_____
Subtotal	2,602,409	3,361,612
215 Less current maturities	<u>517,818</u>	<u>632,516</u>
Total loans other than pupil transportation	<u>\$ 2,084,591</u>	<u>\$ 2,729,096</u>

Eastern School District
 Schedule 8 (Cont'd)
 Details of Long-Term Debt

For the Year Ended June 30, 2006

2006

(Note 17)
 2005

22 220 Loans - pupil transportation

Ref. #

221 Vehicle bank loans

Repayable \$	430	monthly, maturing	2011	\$	25,811	\$	30,967
Repayable \$	4,169	monthly, maturing	2012		295,984		346,009
Repayable \$	2,019	monthly, maturing	2011		135,243		159,466
Repayable \$	5,744	monthly, maturing	2013		515,975		568,006
Repayable \$	580	monthly, maturing	2007				9,285
Repayable \$	3,910	monthly, maturing	2016		422,325		469,250
Repayable \$	4,336	monthly, maturing	2016		488,798		557,724
Repayable \$	1,095	monthly, maturing	2014		105,133		118,275
Repayable \$	1,679	monthly, maturing	2014		167,924		188,075
Repayable \$	1,625	monthly, maturing	2007		13,904		33,404
Repayable \$	521	monthly, maturing	2012		32,700		38,952
Repayable \$	521	monthly, maturing	2013		42,216		48,470
Repayable \$	4,393	monthly, maturing	2015		462,851		

Total 221

2,708,864

2,567,883

222 Land, buildings and equipment bank loans

repayable \$	_____	monthly, maturing	_____				
repayable \$	_____	monthly, maturing	_____				
repayable \$	_____	monthly, maturing	_____				
repayable \$	_____	monthly, maturing	_____				
repayable \$	_____	monthly, maturing	_____				

Total 222

351,612

319,546

223 Less current maturities

Total loans - pupil transportation

2,357,252

2,248,337

Total long-term debt

\$ 4,441,843

\$ 4,977,433

Eastern School District
Schedule 8A
Summary of Long- Term Debt
 (Note 17)
For the Year Ended June 30, 2006

Description	Rate	Balance Beginning of Year	Loans Obtained During Year	Principal Repayment for Year	Balance End of Year
A) School construction					
B) Equipment	7.5%	\$ 3,361,612		\$ 759,203	\$ 2,602,409
C) Service vehicles					
D) Other					
E) Pupil					
Transportation		<u>2,567,883</u>	\$ <u>488,000</u>	<u>347,019</u>	<u>2,708,864</u>
Total Loans		<u>\$ 5,929,495</u>	<u>\$ 488,000</u>	<u>\$ 1,106,222</u>	<u>\$ 5,311,273</u>

Eastern School District
Schedule 8B
Schedule of Current Maturities
 (Note 17)
For the Year Ended June 30, 2006

Description	Year 1	Year 2	Year 3	Year 4	Year 5
A) School construction					
B) Equipment	\$ 517,818	\$ 528,757	\$ 507,802	\$ 417,563	\$ 313,639
C) Service vehicles					
D) Other					
E) Pupil	351,612	336,923	334,382	330,139	331,862
Transportation					
Total loans	<u>\$ 869,430</u>	<u>\$ 865,680</u>	<u>\$ 842,184</u>	<u>\$ 747,702</u>	<u>\$ 645,501</u>

Eastern School District
 Schedule 8C
 Schedule of Interest Expense

Year Ended June 30, 2006

2006

(Note 17)
2005

56 010			
Description			
012 Capital			
Equipment	\$ 175,802	\$ 29,467	
Other			
Debt restructuring	32,190	71,000	
Energy management - capital lease	<u>164,210</u>	<u>211,335</u>	
Total Capital	<u>372,202</u>	<u>311,802</u>	
Current			
013 Operating loans			
014 Supplier interest charges			
Total Current			
Total Interest Expense	<u>\$ 372,202</u>	<u>\$ 311,802</u>	

**Eastern School District
Supplementary Information**

For the Year Ended June 30, 2006

2006

(Note 17)
2005

1. Cash

Current

11 110 Cash on Hand and in Bank

Bank

112 Current

\$ 4,847,695

\$ 2,384,434

113 Savings

7,000

114 Teachers' payroll

368,984

196,332

115 Non teachers' payroll

116 Executive payroll

117 Other - Funds

2,500

2,500

5,219,179

2,590,266

Capital

11 210 Cash on hand and in bank

211 Cash on hand

Bank

212 Current

213 Savings

214 Other

Total cash on hand and in bank

\$ 5,219,179

\$ 2,590,266

2. Short Term Investments

Current

11 121 Term deposits

\$ 155,889

\$ 150,345

122 Canada savings bonds

123 Other

- Canada treasury bills

- Mutual funds

- Balance in broker account

- Guaranteed investment Certificates

5,544

Capital

11 221 Term deposits

222 Canada savings bonds

223 Other

Total Short-term investments

\$ 155,889

\$ 155,889

Eastern School District
Supplementary Information

For the Year Ended June 30, 2006

2006

(Note 17)
2005

3. Prepaid Expenses

Current

11 141 Insurance	\$ 17,165	\$ 37,761
142 Municipal service fees	94,910	129,817
143 Supplies	34,999	34,997
144 Other		
Equipment lease		
Workers' compensation	306,874	279,732
Garbage collection		
Vehicle insurance		
Other	18,831	

Capital

11 241 Other		
	<u>\$ 472,779</u>	<u>\$ 482,307</u>