



ANNUAL REPORT 2004-05

Helping Each Student Achieve

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August 17, 2005

Stakeholders
Eastern School District



It is my pleasure to present the Annual Report for the 2004-05, the inaugural school year for Eastern School Board.

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 of the entire learning community of the Eastern School District that includes 44,258 students, 3001 teachers, 1000 support staff, parents, district-level personnel, and other community partners that are associated with our 126 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.

Sincerely,

BRUCE PECKFORD
Chair

Eastern School District

The vision, mission, and two key lines of business of Eastern School Board were determined at a Board of Trustee retreat in October 2005. Consensus on the direction of the newly established school district emerged out of a consolidation and integration of commonalities inherent in the Strategic Education Plans of the four school board jurisdictions that existed prior to provincial amalgamation efforts in September 2004.

Vision

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

Mission

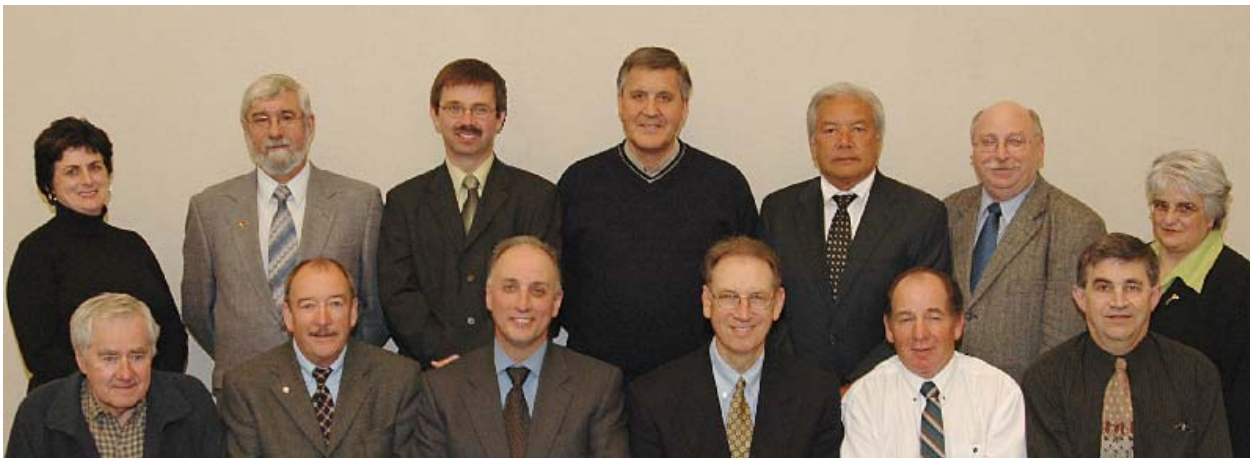
Eastern School Board will work with its employees and key partners - Department of Education, school councils, and various other educational and community agencies and organizations - to challenge and develop the learning and achievement capabilities of each student in a safe, caring, and socially just 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

- To challenge and develop the learning and achievement capabilities of each student.
- To create safe and caring learning environments for all students

Trustees by Regions

| | |
|--------------|---|
| Chair: | Bruce Peckford |
| Avalon East: | Mel Hong, Joan Marie Gatherall, Cyril Hayden, Ron Ellsworth |
| Avalon West: | Danny Button, Angus Gilbert, Jim Hearn, Brendan White |
| Burin: | Earl Elliott, Joe Keating |
| Vista: | Rick Martin, Vi Parsons |



(front, left to right) Jim Hearn, Brendan White, Dr. Bruce Sheppard, Bruce Peckford, Joe Keating, Earl Elliott
(back, left to right) Joan Marie Gatherall, Angus Gilbert, Rick Martin, Cyril Hayden, Mel Hong, Danny button, Vi Parsons.
Missing from photo: Ron Ellsworth

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: Marystown, NL A0E 2M0
Vista Region: Clarenville, NL A5A 1P4

Other Statistics:

126 schools including Janeway School

Schools

- Of the 125 schools, 5 (4.0%) had enrolments of less than 50 students, 25 (20.0%) had enrolments between 50-199, 49 (39.2%) had enrolments of 200-399, and 46 (36.8%) had enrolments of 400 or more.
- 67 (53.6%) schools were located in urban areas, while the remaining 58 (46.4%) schools were located in rural areas.

Students

- In 2004-05, there were 45,258 students in Eastern School District, of which 7,005 (15.5%) received special education support.
- 31,406 (69.4%) of students were enrolled in schools in an urban setting, while the remaining 13,852 (30.6%) students were enrolled in rural schools.

Teachers

- 3001 full-time equivalent teachers and administrators
- 800 substitute teachers

Student Assistants

- 332 student assistants
- 70 substitute student assistants

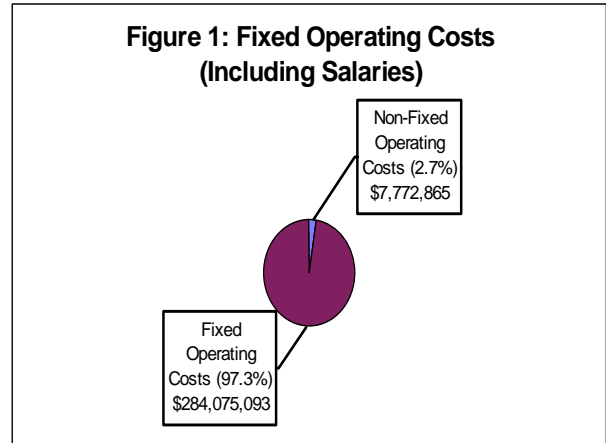
Support Staff

- 35 office support
- 155 school secretaries
- 452 Maintenance, custodial, cleaning

Revenue and Expenditures

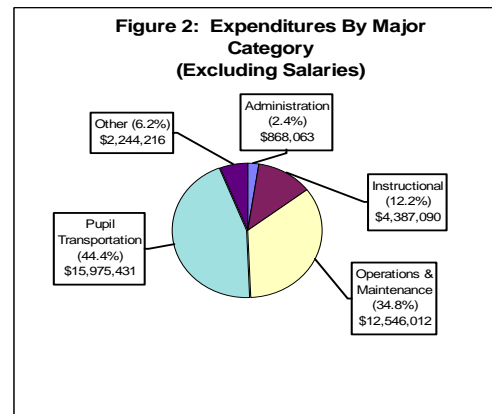
Fixed versus Non-Fixed Operating Costs (Including Salaries)

Figure 1 shows how the Board’s operating budget is apportioned between those costs that are fixed and those that allow the Board some small measure of flexibility. The “fixed” costs include such items as pupil transportation, electricity, fuel, telephone, snow clearing and municipal taxes and totaled 78.4% of the district’s total expenditures for the year, after excluding salaries and benefits. This left only 21.6% 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 3% 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% of this total; operations and maintenance costs took an additional 35%; instructional costs received only 12%; district administration 2% and other costs, including capital expenditures, 6%.



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 provides School boards with the direct responsible 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. Within that context, Eastern School is entirely dependent upon the Department of Education for operational and capital funding and the allocation of teacher units.

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 school councils of each school to increase the level of district-wide advocacy for public education in order to improve the resource allocation to each school and to improve the delivery of education to each student.

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. Eastern School Board recognizes the validity of the statement that, "It takes a whole village to educate a child." 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 Service Canada, Human Resources and Employment, Human Resources and Skills 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 2004-05 year was one of transition as we moved from four distinct predecessor school boards to the new Eastern School District. As a result, much of our attention and energies were directed to, a) maintaining the level of service delivery and focus on student achievement as was expected by our predecessor boards, and b) providing a vision, and accompanying structures, for the future of our new school district. Some of the highlights of our efforts are as follows:

- During summer 2004, Eastern School Board established Transition Agreements with the two support staff unions CUPE and NAPE. This transition agreement allowed for a merging of seniority lists and revised employee bumping rights that suited the new reality. This was negotiated in July with a level of cooperation from union officials that is laudable.
- Given the short timeframe of three months given for school board restructuring, our first celebration came in September when schools opened on time and the transition went rather smoothly in comparison to previous years.
- In spite of reduced program staff support, we were able to enhance the level of student activities within each of the four regions (drama festivals, science fairs, mathematics leagues, Historica Fairs, etc.).
- Even with reduced numbers of program specialists, we have improved the level of support through the implementation of a new mirror image-plus role for Program Specialists.

In the **mirror image** role, each program specialist has responsibilities that are similar to others. All program specialists are responsible for school development, teaching and learning, and school council liaison and support in a particular groupings of schools that we reference as a “*Family of schools*”. This Mirror image role has significantly improved relationships between the district (the Board) and our schools. In the **Plus** role each program specialist has a specific assigned role that differs from other program specialists. As a result of this **Plus** role, for example, the Program Specialist for a specific subject area or field of specialization (mathematics, Active and Healthy Living, literacy, visual and performing arts, etc.) supports and coordinates the work of teachers of that specialization, and monitors all programming and instruction in that subject area or field. This has contributed significantly to advocacy and focused work that has occurred in the various curriculum areas. For example, our program specialist for Active and Healthy Living, Gary Corbett, developed a pilot project in Active Living in several elementary schools in collaboration with the City of St. John’s that we anticipate will be implemented throughout all schools commencing in the new school year. As well, he worked with many community partners throughout the course of this year to develop a draft policy on school nutrition and healthy eating that will be considered by the School Board early Fall, 2005. If adopted, it will certainly redefine the School Board’s role in nutrition education and will help us create new healthy eating norms among our children.

- The geographical size of our district forced us to think about improving our communication networks. As a result, we adopted a common enhanced email package called *First Class* designed particularly for educational organizations. It makes email and discussion forums available to all trustees, teachers, and secretarial staff throughout our district. This system has facilitated the work of Eastern School District and the feedback from our users is very positive! For example, those trustees who have computer systems receive all their board meeting materials via *First Class*, thereby allowing us to perform our roles more efficiently. As well, teachers are quite excited about the improved communications throughout the entire district.

We have experimented with the use of Video Conferencing for small group meetings of personnel in the regional offices as well as for some of our Board committee meetings. We have had some bandwidth issues that have delayed our full implementation of this communication medium; however, we anticipate that we will be able to increase our use of video conferencing in the future as we overcome with the bandwidth issues.

- Board consolidation provided an opportunity to consolidate our financial, personnel, and school data administrative systems providing for the district, much improved data management, informed decision making, as well as improved efficiencies. For example, all travel claims and school purchase orders are now processed on-line at one point of entry.
- We are quite pleased with the success of our advocacy campaign during this past winter related to teacher allocations and capital funding. Eastern School Board with the support of various partners, including the Department of Education and school councils, was successful in realizing positive action on both accounts.
- While it is too early to conduct any reliable assessment of improvement in classroom practices or in student learning, Provincial Assessment results indicate that Eastern District is performing extremely well in comparison to other schools throughout the province and our students are performing very well on national and international tests.
- A draft multi-year infrastructure plan has been developed for the District. This plan will be presented to the newly elected school board during autumn 2005 and will ultimately see the District adapt to declining enrolments, the need for further school consolidation, as well as new school construction.

Outcomes of Objectives

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

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

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

1. The development and implementation of new district structures.
2. The setting of a philosophical framework for the district.
3. The development of policies and procedures.
4. The use of technology to support teaching and administrative processes and to enhance learning opportunities for students.
5. The promotion of active and healthy lifestyles through policy and programs.
6. The development of a multiyear infrastructure plan.
7. 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.
8. The articulation of a rural education division that would allow for the integration of rural perspectives and priorities into all aspects of the Eastern School District's programs and initiatives.
9. 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.**

- Provided leadership to schools in the implementation of practices for students requiring special services.
- Developed programming guidelines for a special education delivery model, including the delivery of modified/alternate courses.
- 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.

- Organized schools into families to facilitate planning and sharing for the purpose of improving learning opportunities for all students.
 - Organized Program Specialists using a mirror/plus assignment of duties, where each had district-wide responsibilities/regional responsibilities for specific curricular/grade-level areas, as well as for a specific family of schools.
 - Established Regional Administrative Councils to provide leadership and direction, through the senior management team, to the regions.
 - Implemented an on-line professional growth plan development process for all teachers. Currently all 3000 of our teachers are actively involved in a professional growth program that reflects goals related to student achievement. Our probationary and tenured teachers and administrators are involved with Personnel in working within the guidelines as set out in our Professional Growth and Evaluation Policy.
 - Introduced and expanded E-learning centers (through a cost-share arrangement with schools).
 - Adopted a model of site-based management which includes the allocation of substitute teacher days, maintenance budget, and instructional budgets to schools.
 - Implemented an electronic report card (piloted at K-6 level) to report student progress to parents.
 - Focused on the use of technology to enhance learning opportunities for students and improve/support the work of district personnel. Some highlights include the implementation of professional learning centers for school/classroom use, the development of an Information, Communication, Learning, and Teaching (ICLT) plan for the district, and the adoption of WinSchool administrative software as the district administrative software package.
 - 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.
- ### 2. **The setting of a philosophical framework for the district.**
- Conducted a series of sessions at the district, family of schools, and schools 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 (as opposed to teaching "classes" of students).

- Conducted a series of sessions at the district, family of schools, and school level, focused on developing the district as a Professional Learning Community.

3. **Human Resource Development**

- Personnel planning enables the District to estimate future resource requirements in our schools and helps develop strategies to ensure we can meet those needs. Strategic planning to address personnel issues has been key this past year. In particular, we have emphasized professional growth and evaluation, staffing and 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.
- With approximately 53.3% of the teaching population assigned to the new Eastern School District, staffing and recruitment for the reorganized regional and central offices was a massive undertaking. An early review of the allocation to our schools indicated a severe student class size issue in the primary grades particularly in the urban regions of our district. Throughout the fall and winter we advocated for an adjustment in teacher allocation to this grade level. The end result saw an additional teacher allocation of 30 teachers from the Department of Education directed toward the Grade One classes in the Eastern School District which will have a positive impact on the teaching and learning.
- Succession planning is an important aspect of our District's plan and throughout the year sessions were sponsored to attract teachers to our administrative positions. This past spring, 27 permanent and 14 replacement contracts for administrators were filled prior to June 30.
- The Human Resources Division is developing its strategic management plan in line with our School Districts' Strategic Plan. The collection of data for planning, the analysis of current skills and the availability of resources is key in making the necessary connections between personnel, programs, finance and technology, all directed towards improving student achievement.
- Principals are actively engaged in the growth and evaluation of their probationary and tenured teachers. Assistant principals, department heads, lead teachers and program specialists are all involved in the growth process to help improve our schools through self and District evaluation.

- This past year every school principal was trained in delivering a new teacher induction program and all 126 schools had a minimum of two teachers trained as mentors. Along with our new Teacher Induction Program, our school district also carries the vast majority of the University Teacher Internship Program in our schools with some 300 prospective education graduates completing their student teaching in our classrooms. Our District is truly leading the way in both the new Teacher Induction Program and the University Teacher Internship Program.
- A new District Leadership at Work program will be implemented in September 2005 under the umbrella of the professional learning community concept. A three-year program has been developed by a District committee which will see all new and tenured administrators participating in this program which is in keeping with the Department of Education mandate. Topics such as 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 are all covered in this District wide program.
- Occupational Health & Safety (OH&S) Committee Training was completed with every school in our district. This is part of the effort from Workplace Health, Safety and Compensation Commission.

4. **The Development of Policies and Procedures**

Policy development was on going throughout the entire year. Fifty-nine (59) policies were approved by the board following extensive development work and consultation. Beyond newly developed policy, the Board, in order to ensure consistency of policy commencing September 2005, has reviewed all policies of the four previous Boards and adopted one set of interim policies. The latter referenced interim policies will be fully implemented commencing September 2005, but will be further reviewed and reformulated through consultation over the next two years.

5. **The use of technology to support teaching and administrative processes and to enhance learning opportunities for students and provide safe, caring schools.**

- Created Multimedia Learning Clips for student use.
- Expanded Professional Learning Centers into 57 classrooms this year. A result of this is that a e-

file repository has been created with over 700 resources for teacher use throughout the district.

- Developed an Innovative Profile for teachers to use that would help them determine their own personal level of expertise in the use of ICT in their classrooms.
 - Developed an Information and Communication Learning Plan for Eastern School District.
 - Developed and implemented a district wide networked maintenance request database system for schools to enter maintenance or renovation requests. District trades staff or contractors are dispatched through this database. Estimated costs are assigned to renovation requests for capital funding consideration.
6. **The promotion of active and healthy lifestyles through policy and programs.**
- Worked with the Department of Education and physical education teacher leaders to implement mandatory physical education graduation requirements beginning in Sept 2005.
 - Implemented a new physical education curriculum in Grades 7 to 9.
 - Developed a draft nutrition policy for schools that we anticipate will be approved for implementation when it is determined that it is consistent with Government Nutrition Guidelines that are currently under review.
 - Implemented Active and Healthy Initiatives throughout the district, including Active Schools St. John's in cooperation with City Council.
 - 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 Communities. The Department of Health has committed to cover the funding for two Health Promotion Specialists to assist with moving the nutrition/physical activity and anti smoking pieces forward in our district.

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

A draft multi-year plan has been developed for the District. This plan was developed with the support of a firm of independent consultants who were engaged to provide recommendations on the configuration of schooling in the Eastern School District, based upon the data and information provided by an internal development team. This plan will be presented to the

newly elected school board during autumn 2005 and will ultimately see the District adapt to declining enrolments with further school consolidation as well as new school construction.

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.**

- Eastern School Board has been deliberate in improving its communication with partners; therefore, media relations is a very high profile function at the school district. In addition to managing the daily media relations activity with local media and school administrators, a media relations protocol was developed to guide school administrators in their dealings with media. A media awareness and public relations training session was also delivered to all regions throughout the district during the past school year.
- One of the most high profile media activities occurred during the spring of 2005 when a number of our schools experienced unprecedented flooding. Leaky roofs and windows were at the mercy of the elements with freezing and thawing and heavy rainfalls. The increased number of school closure announcements due to leaky buildings and subsequent lost instructional time caught the media's attention. The media brought province-wide attention to the issue of aged school buildings and lack of maintenance which was also coupled with air quality and safety concerns in a couple of schools in particular. This issue was addressed by the provincial government at budget time with a commitment of funding to address the maintenance issues with respect to leaky roofs and the building envelop.
- In order to better communicate with parents and students regarding school closures, Eastern School Board developed and implemented a new communications vehicle, Status Central, for notifying parents and students of school closures. Status Central is a real-time school closure notification system on the district website. It has become an invaluable tool for schools, parents and the media, especially on stormy winter days. Despite a few initial challenges experienced during peak times, the feedback to Status Central remains very positive.
- The school year also saw plenty of good news stories from schools throughout the district. Of particular significance, students in our district stepped up to the plate to support the Red Cross

in its efforts to help the Tsunami Relief following the devastating crisis in Southeast Asia in December. Over \$40,000 was raised for the Red Cross in one month by school children throughout the district. Principal Paul House and students from St. Matthews Elementary presented the \$40,000 cheque on behalf of the entire district during the live, televised concert at Mile One Stadium.

- The amalgamation of the four school boards to the Eastern School District also brought the formation of the Eastern Education Foundation, Inc., a charitable arms-length board with a mandate to raise funds to support students throughout the entire district. The Communications Division was instrumental in supporting its first year of development by implementing and coordinating an employee payroll 50/50 draw, a charity golf tournament, and a scholarship policy for students throughout the district.

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

While it is too early to conduct any reliable assessment of improvement in classroom practices or in student learning, Provincial Assessment results indicate that Eastern District is performing well in

comparison to other schools throughout the province and our students are performing very well on national and international tests. See Table 1 and Table 2. Table 1 shows that, Eastern School District had higher average final marks than the province in French 3200, Mathematics 3204, World History 3201, Histoires Mondiales 3231, Chemistry 3202, Physics 3204 and English 3201; and a higher final pass rate than the province in French 3200, Mathematics 3204, World History 3201, Histoires Mondiales 3231, Physics 3204 and Earth Systems 3209. On the other hand, it reveals several challenges in that Eastern School District had lower average final marks than the province in World Geography 3202, Biology 3201 and Earth Systems 3209; and a lower final pass rate than the province in Mathematics 3205, World Geography 3202, Biology 3201, Chemistry 3202 and English 3201.

Table 2 indicates that Eastern School District k-9 students are performing well in comparison to others in the Province. In each of the primary, elementary and intermediate Language Arts Provincial Assessments, the Eastern School District had a higher percentage of students achieving at or above the provincial standard than the province in both reading and writing. In the primary Mathematics Provincial Assessment, the Eastern School District performed similarly to the provincial average score.

Challenges

In 2004, school boards once again experienced significant reductions in the governance and administrative structures and in budgets allocated by Government. In response to these 2004 reductions, Eastern School Board rebuilt a leaner more efficient system that has much potential to even better serve our children. However, while the Eastern School Board is committed to finding additional efficiencies, we must point out that the system cannot be sustained with the current level of funding. Without attention to the key issues that are outlined in this section of our Annual Report, Government must accept that student achievement levels will decline rather than increase, and many of our children will be forced to attend school facilities that are uncomfortable and in some cases unsafe. The following are some of the more significant challenges:

- While the Eastern School Board must continue with efforts to provide equality of program opportunities for students in small rural schools,

teacher allocations must be adjusted to deal with the serious inequality created in large urban schools. Twenty-seven percent of our primary classes, all in large or midsize schools, have more than 25 students per teacher. Educational research evidence is unequivocal. The optimal class size for primary classes is between 15 and 20 students. This is particularly important for children who are most challenged as a result of social inequalities.

- The existing Instructional Allocation must be increased to meet the ever-increasing cost of purchasing learning resources, assessment tools, technology hardware and software, and instructional equipment for schools. While the cost of many of these specialty items continues to increase, our grants either remain the same or have been reduced. Funding must be made available for technology hardware and software acquisition and support. Schools must be able to

Table 1
Public Examination Results

| Course | Eastern District | | Province | |
|--------------------------|------------------|-----------------|----------------|-----------------|
| | Avg Final Mark | Final Pass Rate | Avg Final Mark | Final Pass Rate |
| French 3200 | 73.9 | 98.7 | 73.0 | 97.8 |
| Mathematics 3204 | 60.4 | 76.8 | 60.0 | 75.4 |
| Mathematics 3205 | 74.0 | 95.2 | 74.0 | 95.3 |
| World History 3201 | 67.7 | 88.4 | 66.0 | 86.8 |
| World Geography 3202 | 68.6 | 93.8 | 69.0 | 94.4 |
| Histoires Mondiales 3231 | 69.2 | 92.7 | 68.0 | 91.5 |
| Biology 3201 | 61.6 | 81.9 | 62.0 | 82.9 |
| Chemistry 3202 | 68.1 | 89.6 | 68.0 | 90.2 |
| Physics 3204 | 68.9 | 87.1 | 66.0 | 86.8 |
| Earth Systems 3209 | 60.7 | 82.1 | 61.0 | 81.6 |
| English 3201 | 65.1 | 92.7 | 65.0 | 93.5 |

Table 2(A)
CRT Results: 2004-05
Language Arts

| Grade | Subscore | Percentage of Students Achieving at or Above the Provincial Standard | |
|-------|----------|--|----------|
| | | Eastern District | Province |
| 3 | Reading | 57.4 | 55.7 |
| | Writing | 77.6 | 75.9 |
| 6 | Reading | 65.6 | 61.7 |
| | Writing | 79.4 | 75.3 |
| 9 | Reading | 74.4 | 70.8 |
| | Writing | 90.5 | 86.9 |

Table 2(B)
CRT Results 2004-05
Mathematics

| Grade | Average Score | |
|-------|------------------|----------|
| | Eastern District | Province |
| 3 | 64.6 | 64.6 |

maintain an acceptable level of technology in classrooms. A reasonable and attainable plan must be developed and implemented to ensure schools keep up-to-date with their technology needs, both from a hardware and software perspective.

- Reduction of program specialists have presented challenges particularly in the area of student support services.
- The 1996 reduction in the Repairs & Maintenance (materials and contracts) component of the grant has not been reinstated and the Board is significantly restricted in its ability to purchase cleaning and maintenance supplies and to enter into preventative maintenance contracts.
- The capital needs have reached a crisis point. Many of our children are uncomfortable because of leaking roofs and windows. Resulting interior dampness is causing problems for many children with respiratory problems. The current funding levels delay needed repair, maintenance, and capital work most often resulting in the creation of more serious structural problems, resulting in added costs. Minimally, Government should conduct a full review of this issue to determine the cost-benefit of its current practice.
- Reductions in funding required us to downsize our workforce at district level by 40% commencing September 2004. This was completed in two months. This cause morale problems at the outset and all this occurred following a very bitter support staff strike that was controlled at the Provincial level whereby our support staff were legislated back to work. Staff that remained in September quickly recognized the new workload volume that has continued throughout the year. This has resulted in an increase in lowered morale. As well, reclassification of all non-union personnel at the District level has already resulted in further morale issues. In order to ensure that School Boards attract and retain those who are best able to lead the k-12 educational system at the Board level, an immediate review of current classifications is recommended.
- Sick leave replacement is a major administration burden for the Eastern School Board, and has become a major funding drain.
- Financial restrictions limit the number of trades staff; thus there is an ongoing challenge responding to the numerous maintenance requests received from schools on a daily basis. Also, there are inspection report requests from

authorities having jurisdiction such as Fire Dept., Departments of Labor and Health; and Municipalities which require a speedy response. The newly formed school based Occupational Health & Safety Committees also present demands upon the limited repair and maintenance dollars.

- The new Eastern School Board was allocated an administrative grant from the Department of Education to operate the new District. The grant was significantly reduced from the combined administrative grants of the four (4) previous Boards, but was designed to reflect the level of staff the Department was prepared to fund. The level of funding provided and the District's attempts to stay within the allocated budget have created significant problems and backlogs in accounting functions. Our funding levels have also created challenges for other divisions as well. Perhaps the most significant other than in Finance and Administration has been in the area of Human Resources. Essentially, we have three senior staff responsible for the human resource needs of 4000 employees.
- Eastern School Board would like to create a partnership environment whereby our schools would serve as the center of the community such that each of our schools would be available for use as recreation and meeting centers for various groups within the community served by the school. Unfortunately, this desire is in constant conflict with the need to ensure the Board is protected from litigation and advice to that effect from Treasury Board. We anticipate that pending policy in this area of operation will negatively impact the use of facilities and the revenue it generates for schools.
- Eastern School Board has invested a considerable amount of time and money into resolving the Avalon West contract dispute with Honeywell. Despite best efforts there always appears to be reasons why the Honeywell should not be accountable for saving shortfalls. From our perspective, there was significant number of baseline adjustments made without the Board's knowledge or consent. The Board is not aware if similar adjustments have been made with the contracts for other regions within the Board.
- The district continues to be challenged with the disposal of closed school buildings. Currently there are fifteen sites which require transfer to the Church or demolition. These buildings are targets for vandals and there are environmental issues related to hazardous building materials

- and possible contaminated soil.
- Many rural schools still face a host of challenges, under-financing, and isolation, to a decreasing pool of experienced teachers, and high turnover among teachers and administrators. Some rural schools have successfully met these challenges and are well prepared for the future. Others have failed to meet these challenges and are poorly positioned for the future. In addition, some rural

communities are reticent about reform efforts that are not locally initiated, perhaps because of ill-conceived reform efforts of the past. As a result, there is considerable concern among policymakers and educators about the future success and survival of rural schools. In the response to the rural context of Eastern School District, Eastern School Board will have to collaborate with the rural school partners in order to address these challenges.

Opportunities

Eastern School District is well poised to move forward on both lines of business: *To challenge and develop the learning and achievement capabilities of each student and to create safe and caring learning environments for all students.* Our schools have accepted the challenge to develop as learning communities and are using detailed performance measures to identify areas for improvement. The Eastern School Board has a dedicated staff of professionals throughout the district working at headquarters, regional offices, and in our schools who are committed to the achievement of the articulated goals.

As well, school councils and other community partners are becoming much more focused around the district's articulated goals and are anxious to work with Eastern School Board to realize them. There is much more acceptance of the reality that while teachers, principals, and other school people signed up for the professional because they care deeply about their important place in the lives of students, they cannot possibly deal with all the individual learning needs in practical isolation of the larger

community. It is necessary for school councils, parents, and other community partners to accept responsibility for the education of each child. All partners are beginning to recognize and accept that learning is not just a teacher's responsibility.

Finally, Eastern School Board has had considerable success in working with partners to build a renewed advocacy for k-12 public education. It is anticipated that this advocacy for public education will grow over the course of the next few years and will be based on the assumption that education should not compete with healthcare, social welfare, or rural development for adequate funding. Rather, education is the solution to lowering a dependency on reactionary expenditures in these areas.

The District continues to be challenged to respond to the many daily issues and challenges, while finding time to provide strategic leadership, given the limited number of administrative/educational leadership personnel we have been allocated for the district.

Financial Statement

Under separate cover.

**EASTERN SCHOOL DISTRICT
REPORT AND FINANCIAL STATEMENTS**

June 30, 2005

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CHARTERED ACCOUNTANT
MANAGEMENT CONSULTANT

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, 2005 and the related statements of current revenues, expenditures and District deficiency, cash flows and changes in capital fund for the ten month period 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 depreciation 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, 2005 and the results of its operations and changes in its capital financial position for the ten months 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 are for the fourteen month period ended August 31, 2004 and represent balances related to previous Boards that were dissolved upon the formation of the Eastern School District (See Note 1). These financial statements were audited by several other public accounting firms.

October 31, 2005
Spaniard's Bay

Byron Smith
Chartered Accountant

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**Eastern School District
Balance Sheet****As At June 30, 2005****2005****(Note 17)
2004**

Assets

Current

| | | |
|--|----------------|----------------|
| Cash (supp. Info. 1) | \$ 2,590,266 | \$ 1,367,615 |
| Short-term investments (supp. Info. 2) | 155,889 | 80,152 |
| Accounts receivable (note 4) | 5,257,999 | 5,564,411 |
| Teachers' vacation pay (note 5) | 28,541,036 | |
| Prepaid expenses (supp. info. 3) | <u>482,307</u> | <u>936,589</u> |

37,027,497 7,948,767

| | | |
|---|----------------------|----------------------|
| Capital assets (schedule 7) | 294,694,822 | 290,415,914 |
| Deferred costs (note 12) | 1,090,097 | 1,401,553 |
| Long-term receivables - Due from Province | <u>1,171,871</u> | <u>1,107,000</u> |
| | <u>\$333,984,287</u> | <u>\$300,873,234</u> |

Liabilities

Current

| | | |
|---|----------------|----------------|
| Bank indebtedness (note 6) | | \$ 1,050 |
| Accounts payable and accrued liabilities (note 7) | \$ 6,722,733 | 7,061,086 |
| Current maturities (schedule 8) | 952,062 | 850,361 |
| Teachers' vacation pay (note 5) | 28,541,036 | |
| Current portion of obligation under capital lease (note 11) | <u>643,542</u> | <u>610,426</u> |

36,859,373 8,522,922

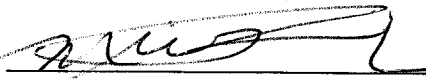
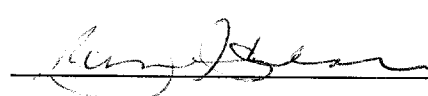
| | | |
|---|----------------|----------------|
| Long-term debt (schedule 8) | 4,977,433 | 5,683,846 |
| Obligation under capital lease (note 11) | 4,120,878 | 4,503,114 |
| Teachers' severance pay benefits (note 2) | 49,100,268 | 49,946,924 |
| Other employee severance pay accrual | 4,941,006 | 4,759,298 |
| Other employee benefits (note 10) | <u>432,709</u> | <u>447,277</u> |

100,431,667 73,863,381

District Equity

| | | |
|---------------------------------------|---------------------|---------------------|
| Investment in capital assets (note 9) | 286,743,926 | 281,077,620 |
| Reserve account (note 8) | | 110,202 |
| District deficiency | <u>(53,191,306)</u> | <u>(54,177,969)</u> |
| | <u>233,552,620</u> | <u>227,009,853</u> |

\$333,984,287 \$300,873,234

Contingent Liability (Note 16)**On Behalf of the Board:** Chairperson Treasurer

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

(Note 17)
2004

For the Ten Months Ended June 30, 2005

2005

Current Revenue (Schedule 1)

| | | |
|------------------------------|--------------------|--------------------|
| Provincial Government grants | \$291,242,779 | \$335,860,660 |
| Ancillary services | 26,772 | 112,531 |
| Miscellaneous | 718,414 | 2,747,013 |
| Donations | | 6,599 |
| | <u>291,987,965</u> | <u>338,726,803</u> |

Current Expenditures

| | | |
|---|----------------|----------------|
| Administration (Schedule 2) | 4,301,940 | 7,330,728 |
| Instruction (Schedule 3) | 244,308,039 | 277,750,302 |
| Operations and maintenance (Schedule 4) | 23,451,010 | 29,071,451 |
| Pupil transportation (Schedule 5) | 17,474,522 | 17,680,107 |
| Ancillary services (Schedule 6) | 120,882 | 228,198 |
| Interest (Schedule 8C) | 311,802 | 513,375 |
| Amortization of capital assets | 311,456 | 939,222 |
| Miscellaneous (Schedule 6) | <u>203,312</u> | <u>614,313</u> |

290,482,963 334,127,696

Excess of (expenditures over revenue) revenue over expenditures before undernoted items

1,505,002 4,599,107

Transfer (to) from capital (Note 9)

(1,364,995) 58,799

Excess of (expenditures over revenue) revenue over expenditures before teachers' severance

140,007 4,657,906

Net change in teachers' severance liability (Note 2)

(846,656) (418,419)

Excess of (expenditures over revenue) revenue over expenditures

\$ 986,663 \$ 4,239,487

District deficiency, beginning of the year

\$ (54,177,969) \$ (58,518,346)

Excess of (expenditures over revenue) revenue over expenditures

986,663 4,239,487

Add: Deficit Recovery

100,890

District deficiency, end of the year

\$(53,191,306) \$(54,177,969)

Eastern School District
Statement of Cash Flows

For the Ten Months Ended June 30, 2005

2005

(Note 17)
2004

CASH PROVIDED BY OPERATING ACTIVITIES

**Excess of (expenditures over revenue)
revenue over expenditures**

\$ 986,663 \$

Items not affecting cash:

Amortization of deferred costs 311,456
Amortization of energy retrofit 688,430
Severance pay accrual 181,708
Teachers severance liability (846,656)
Other employee benefits liability (14,568)

Changes in non-cash working capital balances:

Short term investments (75,737)
Accounts receivable 306,412
Prepaid expenses 454,282
Accounts payable and accrued liabilities (338,354)

1,653,636

INVESTING ACTIVITIES

Additions to Property and Equipment (4,967,333)
Change in investment in capital assets 5,666,303
Change in long-term receivable (64,871)
Change in reserve fund (110,202)

523,897

FINANCING ACTIVITIES

Proceeds from obligation under capital lease 182,035
Repayment of obligation under capital lease (168,130)
Proceeds from long-term borrowings 233,200
Repayment of long-term debt (1,200,937)

(953,832)

Change in cash resources

1,223,701

Cash, beginning of the year

1,366,565

Cash, end of the year

\$ 2,590,266

\$ 1,366,565

Supplementary cash flow information:

Interest paid \$ 311,802 \$ 513,375
Interest paid - bussing loans 104,698 126,186
\$ 416,500 \$ 639,561

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

For the Ten Months Ended June 30, 2005

(Note 17)

2005

2004

70 Capital receipts

71 Proceeds from bank loans

| | | |
|-----------------------------|----------------|------------------|
| 011 School construction | | \$ 1,899,584 |
| 012 Equipment | \$ 233,200 | 762,144 |
| 013 Service vehicles | | |
| 014 Pupil transportation | | 1,187,473 |
| 015 Other and capital lease | <u>182,035</u> | <u>40,000</u> |
| | <u>415,235</u> | <u>3,889,201</u> |

72 EIC grants

| | | |
|---------------------------------------|-----------------------------|-----------------------------|
| 011 School construction and equipment | 4,052,217 | 63,101 |
| 012 Other | <u> </u> | <u> </u> |
| | <u>4,052,217</u> | <u>63,101</u> |

73 Donations

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

74 Sale of capital assets - proceeds

| | | |
|-----------------------------------|-----------------------------|-----------------------------|
| 011 Land and 012 buildings | | 100,138 |
| 013 Equipment | | |
| 014 Service vehicles | | |
| 015 Pupil transportation vehicles | | |
| 016 Other | <u> </u> | <u> </u> |
| | <u> </u> | <u>100,138</u> |

75 Other capital revenues

| | | |
|---|-----------------------------|-----------------------------|
| 011 Interest on capital fund investments | | |
| 012 Premiums on debentures | | |
| 013 Recoveries of expenditures | 15,957 | 1,731,811 |
| 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>15,957</u> | <u>1,731,811</u> |

78 Transfer from (to) current fund

| | | |
|--|---------------------|---------------------|
| | <u>1,364,995</u> | <u>(58,799)</u> |
| | <u>\$ 5,848,404</u> | <u>\$ 5,725,452</u> |

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

For the Ten Months Ended June 30, 2005

2005

(Note 17)
2004

80 Capital disbursements

81 Additions to capital assets

| | | |
|--------------------------------------|------------------|------------------|
| 011 Land and sites | | |
| 012 Buildings | \$ 4,095,055 | \$ 2,322,965 |
| 013 Furniture and equipment - School | 277,539 | 1,058,404 |
| 014 Furniture and equipment - other | | 29,743 |
| 015 Service vehicles | 27,664 | 3,926 |
| 016 Pupil transportation | 26,397 | 1,192,542 |
| 017 Other | <u>52,682</u> | <u>141,177</u> |
| | <u>4,479,337</u> | <u>4,748,757</u> |

82 Principal repayment of long-term debt

| | | |
|---------------------------------|------------------|----------------|
| 011 School construction | | 566,958 |
| 012 Equipment | 1,369,067 | 384,815 |
| 013 Service vehicles | | 18,092 |
| 014 Energy Performance Contract | | <u>6,830</u> |
| | <u>1,369,067</u> | <u>976,695</u> |

83 Miscellaneous disbursements

| | | |
|-----------|-----------------------------|-----------------------------|
| 013 Other | <u> </u> | <u> </u> |
| | <u>\$ 5,848,404</u> | <u>\$ 5,725,452</u> |

See accompanying notes to financial statements.

For the Ten Months Ended June 30, 2005

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 depreciation on any of its fixed assets. However, deferred costs for the energy retrofit project are amortized on the straight-line basis over a period of seven years.

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.

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.

For the Ten Months Ended June 30, 2005

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>2005</u> | (Note 17) <u>2004</u> |
|---|----------------------|--------------------------|
| Balance, beginning of the year | \$ 49,946,924 | \$ 49,528,505 |
| Net (decrease), increase for the period | <u>(846,656)</u> | <u>418,419</u> |
| Balance, end of the year | <u>\$ 49,100,268</u> | <u>\$ 49,946,924</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.

For the Ten Months Ended June 30, 2005

4. Accounts Receivable

| | | (Note 17) |
|--|---------------------|---------------------|
| | <u>2005</u> | <u>2004</u> |
| Current | | |
| 11 131 Provincial Government | \$ 3,653,805 | \$ 2,263,766 |
| 132 Transportation | 143,137 | 320,615 |
| 133 Federal Government | | 70,286 |
| 134 Insurance | | 6,461 |
| 138 Interest | | 133 |
| 139 Travel advances and miscellaneous | 752,296 | 686,329 |
| 140 Goods and Service Tax Rebate | 706,342 | 710,161 |
| 141 Eastern School District | | 1,500,000 |
| Capital | | |
| 11 231 Provincial Gov't -construction grants | 2,419 | |
| 232 Federal Government | | 6,660 |
| 235 Other | | |
| | <u>\$ 5,257,999</u> | <u>\$ 5,564,411</u> |

5. Teachers' Vacation Pay

Pursuant to a directive issued by the Department during fiscal 2005, 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 \$ 28,541,036 at June 30, 2005. For the fourteen months ended August 31, 2004, no vacation pay liability or receivable was reported as the amount was received and paid during July-August 2004.

6. Bank Indebtedness

| | | |
|----------------------------|-----------|-----------------|
| 21 131 On operating credit | \$ | \$ 1,050 |
| 132 On capital account | | |
| | <u>\$</u> | <u>\$ 1,050</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, 2005 and August 31, 2004. 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, 2005.

Eastern School District
Notes to Financial Statements

For the Ten Months Ended June 30, 2005

7. Accounts Payable and Accrued Liabilities

| | (Note 17) | |
|-------------------------|---------------------|---------------------|
| Current | <u>2005</u> | <u>2004</u> |
| 21 111 Trade payables | \$ 3,166,166 | \$ 2,905,581 |
| 112 Accrued liabilities | 446,115 | 904,199 |
| 114 Wages | 83,028 | 186,614 |
| 115 Payroll deductions | 501,508 | 204,734 |
| 116 Retail sales tax | | 9,509 |
| 117 Deferred grants | 764,143 | 1,283,223 |
| 118 Other - Specify | | |
| Vacation pay accrual | 1,254,876 | 893,823 |
| Scholarship fund | 95,041 | 96,743 |
| Capital | | |
| 21 211 Trade payable | | 204,976 |
| 212 Accrued Liabilities | 5,000 | 5,000 |
| 213 Accrued interest | | |
| 217 Deferred Grants | <u>406,856</u> | <u>366,684</u> |
| | <u>\$ 6,722,733</u> | <u>\$ 7,061,086</u> |

8. Reserve Account

| | (Note 17) | |
|----------------------------|----------------------|--------------------|
| | <u>2005</u> | <u>2004</u> |
| Balance, beginning of year | \$ 110,202 | \$ 109,024 |
| Less transfer from reserve | <u>110,202</u> | <u> </u> |
| | | 109,024 |
| Add transfer to reserve | <u> </u> | <u>1,178</u> |
| Balance, end of year | <u>\$ <u>NIL</u></u> | <u>\$ 110,202</u> |

Eastern School District
Notes to Financial Statements

For the Ten Months Ended June 30, 2005

9. Investment in Capital Assets

| | <u>2005</u> | (Note 17) <u>2004</u> |
|--|-----------------------------|------------------------------------|
| Investment in capital assets, beginning of the year | \$281,077,620 | \$280,099,589 |
| Add: | | |
| Transfer of operating Funds to (from) capital fund | | (58,799) |
| Grants - contributions for capital construction | 4,152,665 | 1,095,847 |
| Proceeds from sale of capital assets | | 100,138 |
| Gain on sale of capital assets | | |
| Recoveries of expenditures | | |
| Insurance proceeds - capital | | |
| Capital purchases out of revenue | 144,530 | |
| Miscellaneous | | |
| School contributions | | |
| Principal repayment | <u>1,369,111</u> | <u>327,605</u> |
| | <u>286,743,926</u> | <u>281,564,380</u> |
| Deduct adjustments: | | |
| Cost of assets disposed | | |
| Building | | 180,025 |
| Pupil transportation vehicles | | 304,735 |
| Other | | |
| Government of Newfoundland and Labrador adjustments | | |
| Adjustment to carrying value of certain capital assets | | |
| Doubtful Accounts | <u> </u> | <u> 2,000</u> |
| | <u> </u> | <u> 486,760</u> |
| 23 221 Investment in capital assets, end of the year | <u>\$286,743,926</u> | <u>\$281,077,620</u> |

10. Other Employee Benefits

| | <u>2005</u> | (Note 17) <u>2004</u> |
|----------------------------|-------------------|--------------------------|
| Pension plan | \$ (6,326) | \$ 378 |
| Unused pre-1985 sick leave | <u>439,035</u> | <u>446,899</u> |
| | <u>\$ 432,709</u> | <u>\$ 447,277</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.

For the Ten Months Ended June 30, 2005

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>EPC</u> | <u>Copiers</u> | <u>Total</u> |
|------------------------------------|---------------------|-------------------|---------------------|
| 2006 | \$ 616,920 | \$ 211,574 | \$ 828,494 |
| 2007 | 616,920 | 211,574 | 828,494 |
| 2008 | <u>565,510</u> | <u>225,587</u> | <u>791,097</u> |
| | 1,799,350 | 648,735 | 2,448,085 |
| Add: Purchase option price | 2,750,000 | | 2,750,000 |
| Less: amount representing interest | <u>433,665</u> | | <u>433,665</u> |
| | 4,115,685 | 648,735 | 4,764,420 |
| Less: current portion | <u>452,704</u> | <u>190,838</u> | <u>643,542</u> |
| | <u>\$ 3,662,981</u> | <u>\$ 457,897</u> | <u>\$ 4,120,878</u> |

Interest has been imputed at a rate of 4.20%

12. Deferred Costs

The District 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 \$ 311,456 (2004 - \$467,184) 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:

| | | |
|------|----|---------|
| 2006 | \$ | 493,898 |
| 2007 | \$ | 458,080 |
| 2008 | \$ | 385,470 |
| 2009 | \$ | 177,592 |
| 2010 | \$ | 12,579 |

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.

For the Ten Months Ended June 30, 2005

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 \$10,726,000. 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 the combined amounts for the fourteen months ended August 31, 2004, for the former Boards that were dissolved August 31, 2004 as a result of changes in legislation governing education in the Province of Newfoundland and Labrador. These financial statement components were audited by various public accounting firms. Certain of the Boards did not provide a statement of cash flow and since this information was not readily available no comparative amounts have been reported. Certain of the 2004 amounts may not necessarily compare with the amounts reported for 2005 due to variations in the methods of classifying revenue and expenses by the former Boards.

18. Subsequent Events

Subsequent to June 30, 2005, the Board obtained financing in the amount of \$488,000 to fund the purchase of school busses acquired in the current fiscal period.

Eastern School District
 Schedule 1
 Current Revenues

| For the Ten Months Ended June 30, 2005 | <u>2005</u> | (Note 17) <u>2004</u> |
|--|--------------------|--------------------------|
| Current Revenues | | |
| 32 010 Provincial Government Grants | | |
| 011 Regular operating grants | \$ 37,249,724 | \$ 45,255,608 |
| 016 Special grants | | 196,599 |
| French immersion | | |
| Official language monitor | | |
| French language recuperation | | |
| Textbook credit allocation | | |
| Communication technology | | |
| Other | | |
| Salaries and benefits | | |
| 017 Directors and assistant directors | 1,747,194 | 1,716,861 |
| 021 Regular teachers | 229,391,605 | 256,962,015 |
| Teachers' severance | (846,656) | |
| 022 Substitute teachers | | 3,594,504 |
| Student assistants | 6,191,199 | 10,468,027 |
| 030 Pupil transportation | | |
| 031 Board owned | 2,644,113 | 2,921,780 |
| 032 Contracted | 13,254,936 | 13,279,965 |
| 033 Handicapped | <u>1,610,664</u> | <u>1,465,301</u> |
| | <u>291,242,779</u> | <u>335,860,660</u> |
| 33 010 Donations | | |
| 012 Cash receipts | | 6,599 |
| 013 Non cash receipts | | |
| 014 Restricted use | | |
| | | <u>6,599</u> |
| 34 010 Ancillary Services | | |
| 011 Revenues from rental of residences | | |
| 021 Revenues from rental of Schools and facilities (Net) | 26,772 | 47,495 |
| 031 Cafeterias | | 65,036 |
| 032 Other | | |
| | <u>26,772</u> | <u>112,531</u> |

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

| | <u>2005</u> | (Note 17) <u>2004</u> |
|--|----------------------|--------------------------|
| For the Ten Months Ended June 30, 2005 | | |
| <hr/> | | |
| 35 010 Miscellaneous | | |
| 011 Interest on investments | \$ 84,717 | \$ 118,103 |
| 012 Bus charters | | |
| 021 Recoveries of expenditures (workers' compensation) | | 143,002 |
| 031 Revenues from other School Districts | | |
| 051 Insurance proceeds | | 11,137 |
| 061 Bilingual education revenue | | 122,953 |
| 071 Operating revenue from native peoples grant | | |
| 081 Miscellaneous federal grants: Special Projects | 21,278 | 466,882 |
| 091 Textbooks | 388,189 | 884,984 |
| 092 Other | | |
| Summer and night school fees | 25,143 | 371,039 |
| Gain on sale of capital assets | | |
| Technology support initiative | | 19,546 |
| Sundry | 199,087 | 598,163 |
| 093 Grant - MUN | | 11,204 |
| | <hr/> | <hr/> |
| | 718,414 | 2,747,013 |
| | <hr/> | <hr/> |
| Total Current Revenues | <u>\$291,987,965</u> | <u>\$338,726,803</u> |

Eastern School District
 Schedule 3
 Instruction Expenditures

| For the Ten Months Ended June 30, 2005 | <u>2005</u> | (Note 17) <u>2004</u> |
|---|----------------------|--------------------------|
| 52 010 Instructional Salaries (Gross) | | |
| Teachers' salaries | | |
| 011 Regular | \$ 187,402,789 | \$ 215,665,930 |
| 012 Substitute | 6,992,089 | 7,868,878 |
| 013 Board paid | | 325,806 |
| Summer school | | 34,958 |
| Teachers' severance | (846,656) | 7,940 |
| 014 Augmentation | | 163,738 |
| 015 Employee benefits | 32,768,166 | 34,796,969 |
| 016 School secretaries - salaries and benefits | 4,245,822 | 4,323,574 |
| 017 Payroll tax | 3,534,746 | 1,599,576 |
| 018 Other | | |
| Co-operative education | | 255,773 |
| IT Salaries and benefits | 605,634 | 419,271 |
| Salaries and benefits - program assistants | 66,150 | 94,633 |
| Salaries and benefits - student assistants | <u>5,220,440</u> | <u>5,649,226</u> |
| | <u>239,989,180</u> | <u>271,206,272</u> |
| 52 040 Instructional Materials | | |
| 041 General supplies | 1,441,216 | 1,492,912 |
| 042 Library resource materials | 139,906 | 214,050 |
| 043 Teaching aids | 1,503,162 | 1,608,039 |
| 044 Textbooks | 392,097 | 899,281 |
| 045 Other - Special and regional services | | <u>44,328</u> |
| | <u>3,476,381</u> | <u>4,258,610</u> |
| 52 060 Instructional Furniture and Equipment | | |
| 061 Replacement | 303,987 | 312,745 |
| 062 Rentals and repairs | 2,010 | 183,372 |
| 063 Salary and benefits - computer technicians | | |
| | <u>305,997</u> | <u>496,117</u> |
| 50 080 Instructional Staff Travel | | |
| 080 IT Travel | 29,056 | 21,615 |
| 081 Program co-ordinators | 321,301 | 239,398 |
| 082 Teachers' travel | 55,744 | 109,004 |
| 083 Inservice and conferences | <u>115,528</u> | <u>263,408</u> |
| | <u>521,629</u> | <u>633,425</u> |
| 52 090 Other Instructional Costs | | |
| 091 Postage and stationary | 14,852 | 748,628 |
| 092 Miscellaneous | | 271,627 |
| Funded Projects - other | | 135,337 |
| Salary and benefits - Resource Centre | | <u>286</u> |
| | <u>14,852</u> | <u>1,155,878</u> |
| Total instruction expenditures | <u>\$244,308,039</u> | <u>\$277,750,302</u> |

**Eastern School District
Schedule 2
Administration Expenditures**

| | | (Note 17) |
|---|-----------------------------|---------------------|
| For the Ten Months Ended June 30, 2005 | 2005 | 2004 |
| 51 Salaries and benefits | | |
| 011 Directors and assistant directors | \$ 1,451,484 | \$ 2,036,000 |
| 012 Board office personnel | 1,982,393 | 3,645,837 |
| 013 Office supplies | 45,897 | 85,026 |
| 014 Replacement furniture and equipment | 1,547 | 4,915 |
| 015 Postage | 33,675 | 46,440 |
| 016 Telephone | 120,219 | 213,628 |
| 017 Office equipment rentals and repairs | 29,374 | 69,795 |
| 018 Bank charges | 4,784 | 8,984 |
| 019 Electricity | 77,910 | 77,187 |
| 021 Fuel | 6,287 | 8,085 |
| 023 Repairs and maintenance (office building) | 270 | 7,744 |
| 024 Travel | 70,097 | 240,236 |
| 025 Board meeting expenses | 59,831 | 128,593 |
| 027 Professional fees | 84,337 | 251,636 |
| 028 Advertising | 53,368 | 64,329 |
| 029 Membership dues | 70,000 | 134,308 |
| 031 Municipal service fees | 7,373 | 9,556 |
| 032 Rental of office space | 203,094 | 282,590 |
| 034 Miscellaneous | <u> </u> | <u>15,839</u> |
| Total Administration expenditures | <u>\$ 4,301,940</u> | <u>\$ 7,330,728</u> |

Eastern School District
Schedule 4
Operations and Maintenance Expenditures - Schools

| | | (Note 17) |
|---|----------------------|----------------------|
| For the Ten Months Ended June 30, 2005 | <u>2005</u> | <u>2004</u> |
| 53 | | |
| Salaries | | |
| 011 Janitorial | \$ 9,954,181 | \$ 10,401,467 |
| 012 Maintenance | 788,029 | 3,749,028 |
| 013 Payroll tax | 162,788 | 219,920 |
| 014 Electricity | 6,005,934 | 6,973,002 |
| 015 Fuel | 1,441,486 | 1,123,962 |
| 016 Municipal service fee | 636,531 | 624,678 |
| 017 Telephone | 804,556 | 1,085,278 |
| 018 Vehicle operating and travel | 150,633 | 214,076 |
| 019 Janitorial supplies | 594,815 | 699,936 |
| 021 Janitorial equipment | 26,649 | 21,872 |
| 022 Repairs and maintenance - buildings | 1,823,935 | 2,929,369 |
| 023 Equipment maintenance | 8,873 | 12,310 |
| 025 Snow clearing | 1,044,350 | 1,007,178 |
| 096 Rental of school space | <u>8,250</u> | <u>9,375</u> |
| Total operations and maintenance | <u>\$ 23,451,010</u> | <u>\$ 29,071,451</u> |

Eastern School District
Schedule 5
Pupil Transportation Expenditures

For the Ten Months Ended June 30, 2005

2005

(Note 17)
2004

54 010 Operation and Maintenance of Board Owned Fleet

Salaries and Benefits

| | | |
|-------------------------------------|---------------|---------------|
| 011 Administration | \$ 80,186 | \$ 90,846 |
| 012 Drivers and Mechanics | 1,199,421 | 1,282,977 |
| 013 Payroll Tax | 219,484 | 234,844 |
| 014 Debt Repayment- Interest | 104,698 | 126,186 |
| 015 Principal | 275,734 | 320,776 |
| 017 Gas and Oil | 335,081 | 287,739 |
| 018 Licenses | 29,642 | 31,743 |
| 019 Insurance | 36,481 | 51,084 |
| 021 Repairs and Maintenance - Fleet | 264,414 | 376,098 |
| 022 Building | 9,146 | 12,522 |
| 023 Tires and Tubes | 29,853 | 22,817 |
| 024 Heat and Light | 8,539 | 9,978 |
| 025 Municipal Service | 817 | 786 |
| 026 Snow Clearing | 2,435 | 4,542 |
| 027 Office Supplies | 13,010 | 18,147 |
| 029 Travel | 4,732 | 6,570 |
| 031 Professional Fees | 4,000 | 3,966 |
| 032 Miscellaneous | 5,297 | 7,333 |
| 033 Telephone | <u>29,437</u> | <u>35,477</u> |

2,652,407

2,924,431

54 040 Contracted Services

| | | |
|----------------------------|------------------|------------------|
| 041 Regular transportation | 13,211,451 | 13,235,912 |
| 042 Handicapped | <u>1,610,664</u> | <u>1,519,764</u> |

Pupil transportation expenditures

\$ 17,474,522

\$ 17,680,107

Eastern School District
Schedule 6
Ancillary Services and Miscellaneous Expenses

For the Ten Months Ended June 30, 2005

2005

(Note 17)

2004

Ancillary Services

The Board operates the following ancillary services:

55 Ancillary services

| | | |
|---------------------------------------|-------------------|-------------------|
| 011 Operation of teachers' residences | | \$ 66,498 |
| 031 Cafeterias | | <u>161,700</u> |
| 032 Other - Vehicle operating | \$ <u>120,882</u> | |
| | \$ <u>120,882</u> | \$ <u>228,198</u> |

Miscellaneous Expenses

The Board has incurred the following miscellaneous expenses:

| | | |
|----------------------------------|-----------------------------|-------------------|
| 57 011 Bad debt expense | \$ 135,081 | \$ 384,492 |
| Special incentive program | | 30,000 |
| Other miscellaneous expenditures | 68,231 | 98,291 |
| 012 Provision for severance pay | <u> </u> | <u>101,530</u> |
| | \$ <u>203,312</u> | \$ <u>614,313</u> |

Eastern School District
 Schedule 7
 Details of Capital Assets

For the Ten Months Ended June 30, 2005

| | NBV August 31, 2004 | Additions | Amortization | NBV June 30, 2005 |
|------------------------------------|---------------------------|---------------------|-------------------|-------------------------|
| 12 210 Land and Sites | | | | |
| 211 Land and sites | \$ 5,077,657 | \$ _____ | \$ _____ | \$ 5,077,657 |
| 12 220 Buildings | | | | |
| 221 Schools | 243,824,497 | 4,095,055 | | 247,919,552 |
| 222 Administration | 2,379,115 | | | 2,379,115 |
| 223 Residential | 10,000 | | | 10,000 |
| 224 Recreational | | | | |
| 225 Other | <u>152,886</u> | _____ | _____ | <u>152,886</u> |
| | <u>246,366,498</u> | <u>4,095,055</u> | _____ | <u>250,461,553</u> |
| 12 230 Furniture and Equip. | | | | |
| 231 Schools | 27,172,676 | 277,539 | | 27,450,215 |
| 232 Administration | 3,173,731 | | | 3,173,731 |
| 233 Residential | 850 | | | 850 |
| 234 Recreation | | | | |
| 235 Other | <u>27,648</u> | _____ | _____ | <u>27,648</u> |
| | <u>30,374,905</u> | <u>277,539</u> | _____ | <u>30,652,444</u> |
| 12 240 Vehicles | | | | |
| 241 Service vehicles | <u>203,840</u> | <u>27,664</u> | _____ | <u>231,504</u> |
| 12 250 Pupil Transportation | | | | |
| 251 Land | | | | |
| 252 Building | 213,356 | | | 213,356 |
| Vehicles | | | | |
| 253 Buses | 4,581,409 | 514,397 | | 5,095,806 |
| 254 Service | 59,383 | | | 59,383 |
| 255 Equipment | | | | |
| 256 Other | | | | |
| | <u>4,854,148</u> | <u>514,397</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 | 2,327,562 | 52,682 | 688,430 | 1,691,815 |
| Water lines | 29,151 | | | 29,151 |
| Resource lines | <u>269,526</u> | _____ | _____ | <u>269,526</u> |
| | <u>3,538,866</u> | <u>52,682</u> | <u>688,430</u> | <u>2,903,119</u> |
| Total Capital Assets | <u>\$290,415,914</u> | <u>\$ 4,967,337</u> | <u>\$ 688,430</u> | <u>\$294,694,822</u> |

Eastern School District
 Schedule 8
 Details of Long-Term Debt

| For the Ten Months Ended June 30, 2005 | <u>2005</u> | (Note 17) <u>2004</u> |
|--|---------------------|--------------------------|
| Ref. # | | |
| 211 Bank Loans | | |
| Repayable \$ <u>5,706</u> monthly, maturing <u>2005</u> | | \$ 53,963 |
| Repayable \$ <u>16,814</u> monthly, maturing <u>2007</u> | \$ 1,047,833 | 1,112,290 |
| Repayable \$ <u>9,443</u> monthly, maturing <u>2014</u> | 1,038,748 | 900,000 |
| Repayable \$ <u>9,387</u> monthly, maturing <u>2005</u> | | 9,387 |
| Repayable \$ <u>12,475</u> monthly, maturing <u>2010</u> | 711,062 | 835,796 |
| Repayable \$ <u>459</u> monthly, maturing <u>2006</u> | 7,795 | 11,910 |
| Repayable \$ <u>667</u> monthly, maturing <u>2009</u> | 34,167 | 33,170 |
| Repayable \$ <u>1,000</u> monthly, maturing <u>2009</u> | 33,333 | 51,000 |
| Repayable \$ <u>4,406</u> monthly, maturing <u>2008</u> | 127,786 | 171,846 |
| Repayable \$ <u>7,833</u> monthly, maturing <u>2009</u> | 323,335 | 382,862 |
| Repayable \$ <u>883</u> monthly, maturing <u>2007</u> | 35,886 | 45,053 |
| Repayable \$ <u>833</u> monthly, maturing <u>2006</u> | <u>1,667</u> | <u>10,000</u> |
| Total 211 | <u>3,361,612</u> | <u>3,617,277</u> |
| 212 Mortgages | | |
| Total 212 | _____ | _____ |
| 213 Debentures | | |
| repayable \$ <u>3,967</u> monthly, maturing <u>2005</u> | | 77,908 |
| repayable \$ _____ monthly, maturing _____ | _____ | _____ |
| Total 213 | _____ | <u>77,908</u> |
| Subtotal | 3,361,612 | 3,695,185 |
| 215 Less current maturities | <u>632,516</u> | <u>578,737</u> |
| Total loans other than pupil transportation | <u>\$ 2,729,096</u> | <u>\$ 3,116,448</u> |

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

| For the Ten Months Ended June 30, 2005 | 2005 | (Note 17) 2004 |
|---|---------------------|---------------------|
| 22 220 Loans - pupil transportation | | |
| Ref. # | | |
| 221 Vehicle bank loans | | |
| Repayable \$ <u>430</u> monthly, maturing <u>2011</u> | \$ 30,967 | \$ 35,234 |
| Repayable \$ <u>4,169</u> monthly, maturing <u>2012</u> | 346,009 | 387,698 |
| Repayable \$ <u>2,019</u> monthly, maturing <u>2011</u> | 159,466 | 179,650 |
| Repayable \$ <u>5,744</u> monthly, maturing <u>2013</u> | 568,006 | 615,182 |
| Repayable \$ <u>580</u> monthly, maturing <u>2007</u> | 9,285 | 15,088 |
| Repayable \$ <u>3,910</u> monthly, maturing <u>2016</u> | 469,250 | 508,354 |
| Repayable \$ <u>4,336</u> monthly, maturing <u>2016</u> | 557,724 | 615,701 |
| Repayable \$ <u>1,095</u> monthly, maturing <u>2014</u> | 118,275 | 129,230 |
| Repayable \$ <u>1,679</u> monthly, maturing <u>2014</u> | 188,075 | 204,866 |
| Repayable \$ <u>1,625</u> monthly, maturing <u>2007</u> | 33,404 | 49,654 |
| Repayable \$ <u>521</u> monthly, maturing <u>2012</u> | 38,952 | 44,683 |
| Repayable \$ <u>521</u> monthly, maturing <u>2013</u> | 48,470 | 53,682 |
| Repayable \$ _____ monthly, maturing _____ | _____ | _____ |
| Total 221 | <u>2,567,883</u> | <u>2,839,022</u> |
| 222 Land, buildings and equipment bank loans | | |
| repayable \$ _____ monthly, maturing _____ | | |
| repayable \$ _____ monthly, maturing _____ | | |
| repayable \$ _____ monthly, maturing _____ | | |
| repayable \$ _____ monthly, maturing _____ | | |
| repayable \$ _____ monthly, maturing _____ | | |
| repayable \$ _____ monthly, maturing _____ | | |
| Total 222 | _____ | _____ |
| 223 Less current maturities | <u>319,546</u> | <u>271,624</u> |
| Total loans - pupil transportation | <u>2,248,337</u> | <u>2,567,398</u> |
| Total long-term debt | <u>\$ 4,977,433</u> | <u>\$ 5,683,846</u> |

Eastern School District
Schedule 8A
Summary of Long- Term Debt
 (Note 17)
For the Ten Months Ended June 30, 2005

| 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% | 3,695,185 | | 333,573 | 3,361,612 |
| C) Service vehicles | | | | | |
| D) Other | | | | | |
| E) Pupil | | | | | |
| Transportation | | | | | |
| Total Loans | | <u>\$ 3,695,185</u> | <u>\$</u> | <u>\$ 333,573</u> | <u>\$ 3,361,612</u> |

Eastern School District
Schedule 8B
Schedule of Current Maturities
 (Note 17)
For the Ten Months Ended June 30, 2005

| Description | <u>Year 1</u> | <u>Year 2</u> | <u>Year 3</u> | <u>Year 4</u> | <u>Year 5</u> |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| A) School construction | \$ | \$ | \$ | \$ | \$ |
| B) Equipment | 632,516 | 927,092 | 892,115 | 873,190 | 728,533 |
| C) Service vehicles | | | | | |
| D) Other | | | | | |
| E) Pupil | 319,546 | | | | |
| Transportation | | | | | |
| Total loans | <u>\$ 952,062</u> | <u>\$ 927,092</u> | <u>\$ 892,115</u> | <u>\$ 873,190</u> | <u>\$ 728,533</u> |

Eastern School District
 Schedule 8C
 Schedule of Interest Expense

| Ten Months Ended June 30, 2005 | <u>2005</u> | (Note 17) <u>2004</u> |
|-----------------------------------|-------------------|--------------------------|
| 56 010 | | |
| Description | | |
| 012 Capital | | |
| School construction | \$ | \$ 61,163 |
| Equipment | 29,467 | 43,562 |
| Service vehicles | | 1,061 |
| Other | | |
| District restructuring | | 3,811 |
| Debt restructuring | 71,000 | 52,629 |
| Energy management - capital lease | <u>211,335</u> | <u>327,495</u> |
| Total Capital | <u>311,802</u> | <u>489,721</u> |
| Current | | |
| 013 Operating loans | | 5,635 |
| 014 Supplier interest charges | | <u>18,019</u> |
| Total Current | | <u>23,654</u> |
| Total Interest Expense | <u>\$ 311,802</u> | <u>\$ 513,375</u> |

**Eastern School District
Supplementary Information**

(Note 17)
2004

For the Ten Months Ended June 30, 2005

2005

1. Cash

Current

| | | |
|---------------------------------|------------------|------------------|
| 11 110 Cash on Hand and in Bank | \$ | \$ |
| 111 Cash on Hand | | 159 |
| Bank | | |
| 112 Current | 2,384,434 | 1,204,310 |
| 113 Savings | 7,000 | 16,046 |
| 114 Teachers' payroll | 196,332 | 105,744 |
| 115 Non teachers' payroll | | (44,775) |
| 116 Executive payroll | | (539) |
| 117 Other - Funds | <u>2,500</u> | <u>86,670</u> |
| | <u>2,590,266</u> | <u>1,367,615</u> |

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 | \$ <u>2,590,266</u> | \$ <u>1,367,615</u> |
|--------------------------------|---------------------|---------------------|

2. Short Term Investments

Current

| | | |
|--------------------------------------|------------|-----------|
| 11 121 Term deposits | \$ 150,345 | \$ 74,608 |
| 122 Canada savings bonds | | |
| 123 Other | | |
| - Canada treasury bills | | |
| - Mutual funds | | |
| - Balance in broker account | | |
| - Guaranteed investment Certificates | 5,544 | 5,544 |

Capital

| |
|--------------------------|
| 11 221 Term deposits |
| 222 Canada savings bonds |
| 223 Other |

| | | |
|------------------------------|-------------------|------------------|
| Total Short-term investments | \$ <u>155,889</u> | \$ <u>80,152</u> |
|------------------------------|-------------------|------------------|

Eastern School District
Supplementary Information

For the Ten Months Ended June 30, 2005

2005

(Note 17)
2004

3. Prepaid Expenses
Current

| | | | | |
|----------------------------|----|---------|----|---------|
| 11 141 Insurance | \$ | 37,761 | \$ | 10,928 |
| 142 Municipal service fees | | 129,817 | | 91,756 |
| 143 Supplies | | 34,997 | | 111,674 |
| 144 Other | | | | |
| Equipment lease | | | | 44,348 |
| Workers' compensation | | 279,732 | | 251,553 |
| Garbage collection | | | | 1,000 |
| Vehicle insurance | | | | |
| Other | | | | 425,330 |

Capital

| | | | | |
|--------------|----|-----------------------------|----|-----------------------------|
| 11 241 Other | | | | |
| | | <u> </u> | | <u> </u> |
| | \$ | <u>482,307</u> | \$ | <u>936,589</u> |