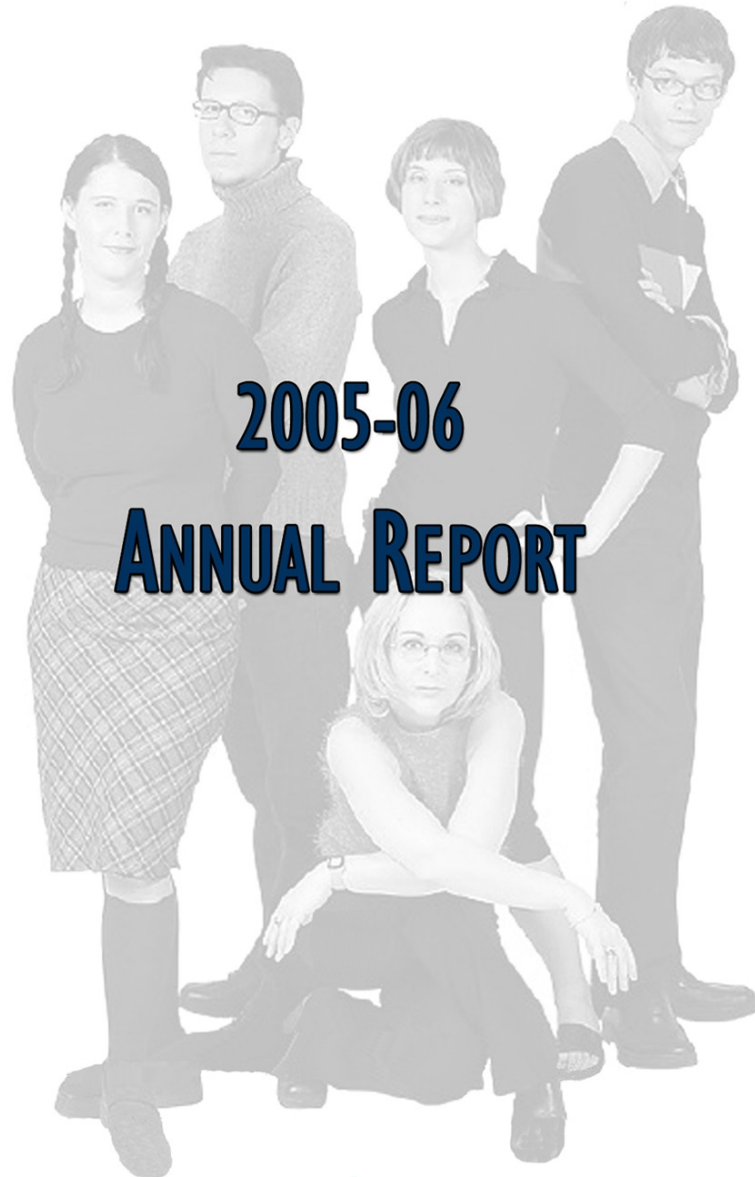


STUDENT INVESTMENT AND OPPORTUNITY CORPORATION



2005-06 ANNUAL REPORT


Newfoundland
Labrador

**The Newfoundland and Labrador
Student Investment and Opportunity Corporation**

Board of Directors – March 31, 2006

Chairperson -	Rebecca Roome, Deputy Minister Department of Human Resources, Labour and Employment
Director -	Terry Paddon, Deputy Minister Department of Finance
Director -	Bruce Hollett, Deputy Minister Department of Education
Director -	John Abbott, Deputy Minister Department of Health and Community Services
Treasurer -	Ronald Williams, Comptroller General Treasury Board
Secretary -	Dave Roberts, Assistant Deputy Minister (Corporate Services) Department of Human Resources, Labour and Employment

January 22, 2007

The Honourable Shawn Skinner, M.H.A.
Minister of Human Resources, Labour and Employment
3rd Floor, West Block
Confederation Building
St. John's, NL
A1B 4J6

Dear Minister Skinner:

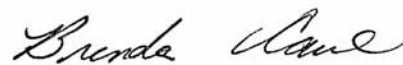
As Chairperson of the Newfoundland and Labrador Student Investment and Opportunity Corporation (SIOC), I am pleased to submit and accept responsibility on behalf of the Board for the 2005-06 Annual Report of the Corporation. The report also includes a copy of the audited Financial Statements.

The submission of this report is required by Section 6.05 of the Corporation Bylaw which states that an annual report, including financial statements, be provided to the responsible Minister after the end of each financial year of the Corporation.

Fiscal year 2005-06 was again another challenging year for the SIOC. The applications received for programs exceeded budget capabilities, especially in the area of summer student employment.

There was a significant increase in the overall number of youth benefitting from SIOC funding, especially in the area of unique youth projects which accounted for over 1,200 of the total 4,630 youth served.

Respectfully submitted,



Brenda Caul
Chairperson
Newfoundland and Labrador
Student Investment & Opportunity
Corporation

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Highlights/Accomplishments

- 4,630 youth participated in employment related programs in 2005-06, including co-op work terms, summer student employment, year-round Student Work and Service Program (SWASP), graduate employment positions and various youth-oriented projects - an increase of 34% over the previous year.
- The Grants to Youth Organizations were successful in supporting youth-serving organizations and reaching over 1,200 direct youth participants in over 30 initiatives throughout the province.
- Student summer employment programs provided work experience to over 2,100 youth. The tuition vouchers earned through these programs also support youth attendance at post-secondary institutions - approximately 90% of tuition vouchers issued in 2005-06 were cashed.

Overview

The Newfoundland and Labrador Student Investment and Opportunity Corporation (SIOC) was established in March 2001 to facilitate the funding and management of existing youth programs and to identify key areas where government support is required.

The mandate of the Department of Human Resources, Labour and Employment:

"...supports human resource development through providing: income and employment supports, youth supports, emergency and disaster response, and policy and information services for immigration and labour market development."

The SIOC supports the department's mandate by specifically addressing the following objectives:

1. **To strategically support young people in their pursuit of post-secondary education and employment opportunities by providing financial resources to existing initiatives and identifying new requirements.**

To meet the intent of this objective for 2005-06, the SIOC continued to support a number of summer employment programs, such as the Student Work and Service Programs, and further supported a range of initiatives focused on addressing barriers faced by youth, especially those from low-income families.

2. To complement the province's student debt reduction strategies.

In 2005-06, the SIOC remained committed to addressing student debt issues by continuing to support summer employment opportunities, some of which provided tuition vouchers for participants to use towards the costs of attending post-secondary education.

3. To act as a coordinating agency with respect to student employment programs, enhanced career opportunities and priority youth-related programs and services within line departments.

The SIOC continued to work with a network of youth-serving agencies, post-secondary institutions and businesses throughout the province to identify priority youth-related programs and services. The Youth Advisory Committee, which is funded by the SIOC, continued to focus on issues affecting youth and provide advice to government. The Federal/Provincial Youth Protocol Committee continued working with other government departments and agencies to coordinate programming, career development and services for youth.

4. To focus particularly on youth in rural areas of Newfoundland and Labrador.

The SIOC remained focused on supporting initiatives in rural areas of the province. Budget allocations for the Graduate Employment Program, Student Work and Service Program and Student Employment Program were distributed throughout the province, with an emphasis on rural areas.

Operations

The SIOC reports to the Minister of Human Resources, Labour and Employment and is administered by a Board of Directors. For 2005-06, the Board consisted of four voting members: one member each from the departments of Human Resources, Labour and Employment (Chairperson), Education (Director), Finance (Director) and Health and Community Services (Director) and two non-voting members from the Department of Human Resources, Labour and Employment (Secretary) and the Department of Finance (Treasurer).

The SIOC directly employed two staff members in 2005-06 to oversee the operations of the board. As well, the Assistant Deputy Minister, Income, Employment and Youth Services, was responsible for the coordination of the activity of staff and advised the board on relevant issues.

In the day-to-day operation of a number of student employment initiatives, regional staff of the Department of Human Resources, Labour and Employment were involved in administering, delivering, monitoring, assessing and contracting activities associated with a number of programs funded by the SIOC.

Youth Served through Funded Initiatives

In its endeavor to strategically support young people in their pursuit of a post-secondary education and employment, the SIOC served 4,630 youth through programming in 2005-06. Additionally, SIOC funding affects most of the province's youth through initiatives such as the Youth Advisory Committee and grants to youth organizations.

Appendix A provides a breakdown of the number of youth served through each initiative for 2005-06.

Appendix B provides a breakdown of the projects and organizations funded and, where appropriate, the number of youth served through the Grants to Youth Organizations fund.

Appendix C provides a brief description of the programs funded and related financial details for each program.

Programming Initiatives

The SIOC continued to focus on its objectives within approved programs and services in 2005-06. Long-standing programs such as the Student Work and Services Program and the Graduate Employment Program continued to offer career development opportunities to youth.

Many programs included tuition vouchers as an incentive for participation, which helped address financial issues associated with attending post-secondary education. The Tutoring Work Experience Program provided opportunities for post-secondary students to accumulate tuition voucher credits that will assist them in the coming year to pay for a portion of their educational related costs.

Initiatives funded through the Grants to Youth-Serving Organizations in 2005-06, as outlined in Appendix B, demonstrate the broad range of youth-related activities supported by the SIOC.

Below is a listing of the programs supported by the SIOC in 2005-06.

(i) Student Employment Programs:

The Department of Human Resources, Labour and Employment delivered a number of student employment programs within its network of offices throughout the province. As well, the SIOC again partnered with the Community Services Council and the Community Youth Network to deliver specific student employment programs. Programming generally included wage subsidies and tuition vouchers. The following programs were funded under this area:

- Student Work and Service Program - Paid Component
- Student Work and Service Program - Community Services Component
- Student Work and Service Program - Year-Round Component
- Student Employment Program (Levels I, II & III)
- Summer Student Support Program

2,232 students benefited from these programs in 2005-06. Participants were able to obtain valuable work experience while at the same time having an opportunity to save money towards the cost of attending post-secondary education.

A significant portion of the annual budget for 2005-06 was directed towards creating summer employment for students - \$2,780,000, or 41%. With the inclusion of tuition vouchers, many students were better able to afford post-secondary education. The voucher associated with the Student Work and Service Program - Community Service Component, for example, which is valued at \$1,400, will nearly cover the full cost of tuition for a semester at Memorial University and two semesters of tuition at the College of the North Atlantic. This is money students will not need to borrow through student loans.

These programs provided 1,566 tuition vouchers in 2005-06 at a value of approximately \$958,800.

(ii) Graduate Employment Program:

The Department of Human Resources, Labour and Employment also delivered the Graduate Employment Program through its network of offices. Many new graduates have difficulty landing their first job after graduation, due mainly to a lack of experience. The Graduate Employment Program provided a \$10,000 wage subsidy to employers who were willing to hire recent graduates to gain much needed experience. This program allowed the province to retain these graduates and businesses to benefit from their expertise.

- Wage subsidy incentive for employers to hire recent graduates

149 graduates of post-secondary programs were supported by this program which offered a \$10,000 wage subsidy to encourage employers to hire recent graduates.

(iii) Secondary and Post-Secondary Employment Programs:

Supporting students attending high school was again a major focal point in 2005-06. Programs designed to offer tutoring services for high school students facing academic challenges increased the chance of these students completing high school. These same programs provided much needed employment opportunities for students who wanted to be tutors and enabled these students to save for their future education. Without these services, many students would not have been able to afford private tutoring, which could impact on the likelihood of graduation.

Funding was also provided to post-secondary institutions to focus on a variety of initiatives in 2005-06. From support in the form of wage subsidies for co-operative education students, support for rural work placements in a number of disciplines and offering general employment opportunities to students experiencing financial barriers, the SIOC continued to invest in the future of the province. Without these programming initiatives, many students would not have been able to complete their programs due to financial constraints.

The following is a list of the programs funded in 2005-06. A detailed description of each initiative can be found in Appendix D.

- Student Work and Service Program
- Small Enterprise Co-op Placement Assistance Program (SECPAP) - Memorial University/College of the North Atlantic
- Social Work Recruitment Initiative
- Rural Practice Placements - Medical Students
- Faculty of Education Professional Practice Seminar and School Placement Program
- Marine Institute Co-op Program
- Marine Pursuits Camps
- Tutoring Work Experience Program
- IT-Tutoring for Tuition Program

944 students benefited from these programs in 2005-06. The range of supports focused on rural placements, addressing financial needs of post-secondary students and offering employment opportunities throughout the academic year.

Grants to Youth-Serving Organizations:

Funding was provided to a number of youth-serving organizations to assist with the delivery of programs and services for youth. Services ranged from career fairs to employment and youth leadership initiatives.

- Newfoundland and Labrador Conservation Corps
- Youth Advisory Committee
- Various grants to support youth initiatives

1,305 youth directly benefited from these funding areas in 2005-06. Thousands of youth were the indirect beneficiaries of initiatives funded under this area. The Conservation Corps employed approximately 100 youth with Green Team projects. The Youth Advisory Committee will bring forward to government youth-related issues to ensure government policies and programs are reflective of the needs of youth.

Initiatives were developed by community-based agencies which focused on engaging youth and promoting a number of key areas, including career development, youth employment, leadership and education. In order for youth-serving organizations to offer programs and services, financial support was required. These grants provided opportunities to engage youth and thereby promote these vital areas of development.

Financial Overview

The SIOC received its funding through an annual allocation from the province's budget. For fiscal year 2005-06, the SIOC received \$6.234 million.

The SIOC committed \$7,672,175 in funding to youth initiatives in 2005-06; of this funding, \$6,289,347 was expended as of March 31, 2006. The carryover of 2005-06 commitments into 2006-07 is \$1,530,671, which includes \$147,843 in tuition vouchers earned but not cashed in 2005-06 and other commitments of \$1,382,828.

Details of individual program commitments and actual expenditures for 2005-06 are contained in Appendix C. This summary is consistent with the Audited Financial Statements provided by the Auditor General, which are attached in Appendix E, and reflects the financial activity of the SIOC for 2005-06.

Opportunities and Challenges Ahead

Overall, the SIOC continues to build on successful programming, as evidenced by the high number of youth gaining valuable work experience and support for access to post-secondary education.

Youth are moving to urban areas. A number of regions are experiencing problems with finding sufficient numbers of students to fill vacancies, while at the same time urban centres experience higher levels of demand. While the SIOC continues to focus on rural areas, future promotion of initiatives must ensure that youth from rural areas are aware of the opportunities that exist in their home communities. Overall, more research will be required to determine the extent of youth mobility, the impacts on budget distribution and recommendations for ensuring the needs of youth in rural areas are being adequately addressed.

Student debt remains an important issue for this province. The province has made significant progress in addressing the financial barriers to attending post-secondary education. A challenge for the SIOC is to ensure that student employment programs are complementary to other programs offered.

There is also a growing demand from youth-serving agencies throughout the province for funding to deliver youth programs and services. The SIOC spent all allocated resources under the Grants to Youth-Serving Agencies in 2005-06, and there is an expectation that the demand will increase in future years. As this demand increases, the SIOC must ensure strategies are developed to maximize the use of allocated resources.

In 2005-06, the SIOC focused considerable efforts towards increasing the participation of youth from low-income families and those in receipt of Income Support in various programs. Progress was made in this area, and these efforts will continue in 2006-07. Finally, the SIOC must continue to promote access to programming for students facing multiple barriers, encourage youth to train and work in the province, and to evaluate programming to help ensure that the needs of the youth of the province are being addressed.

Appendix A
Youth Served

Table 1: Youth Served Fiscal Year 2005-06

Programs	Youth Served
Student Employment Programs	
Student Work and Service Program – Paid Employment	1296
Student Work and Service Program – Community Service	175
Student Work and Service Program – Year Round	95
Student Employment – L 1, 11, 111	643
Student Summer Support	23
Total	2232
Graduate Employment	149
Secondary and Post-Secondary Employment Programs	
Student Work and Service Program – MUN/CNA	195
Student Work and Service Program – Above & Beyond	39
Small Enterprise Co-op – MUN/CNA	291
Social Work Recruitment	7
Rural Practice – Medical	11
Faculty of Education	47
Marine Institute Co-op	41
Marine Camp	38
Tutoring Work Experience	210
IT – Tutoring	65
Total	944
Grants to Youth Organizations	
Conservation Corps	101
Youth Advisory Committee	0
Various Grants to Support Youth Initiatives	1204
Total	1305
Total Youth Served – 2005-06	4630

Appendix B

Grants to Youth Organizations Summary

Table 2: Youth Served through Grant Funding - Fiscal Year 2005-06

Project Specific Youth Serving Grants	Description	Community/HRLE Region	Youth Served	Amount Paid
Girl Guides of Canada – International trip for 3 Guides	Support for 3 youth to attend international conference	Stephenville/Western	3	1,500.00
MMYES – Job Shadowing Project	Level 1,11,111 students traveled to urban centres to visit post-secondary institutions	Port aux Basques/Western	137	1,550.00
Herdman Collegiate Rep. Council (CSL Conference)	Supported the costs of students attending Canadian Student Leadership Conference	Corner Brook/Western	12	2,500.00
Provincial Student Leadership Conference	Supported the Provincial Student Leadership Conference for high school students	Bishops Falls/Central	451	5,000.00
Choices for Youth	Support for the Youth At Promise Challenge Program, which allows youth an opportunity to make the transition back to mainstream schooling	St. John's/Avalon	21	20,700.00
Youth Ventures	Support for the summer youth business and entrepreneurship programs, which create employment for youth by youth	Provincial	386	60,000.00
T.I. Murphy Centre – Portfolio Development for Youth	Allows 10 youth to develop education and career plans	St. John's/Avalon	10	14,450.00
Community Centre Alliance	Value of Money-Value of Work Program, which created summer employment for 10 low-income youth and developed life-skills through weekly training sessions	St. John's/Avalon	10	20,000.00
JBS Recreation Committee	Supported summer recreation and employment program for the Fogo Island area	Central	1	2,500.00
Youth Exploring Trades – CNA Placentia Campus	In partnership with Services Canada and the College, participants were engaged in 12 weeks of training and a 6-month on-the-job placement in selected trades areas	Placentia/Avalon	10	40,000.00
FINALY Youth Leap Conference	Assisted with a three-day youth leadership conference	Gander/Central	147	17,500.00
FINALY (Career Focus)	In partnership with Service Canada and ACOA, this program placed 6 interns throughout the province to address local youth issues	St. John's/Avalon	6	27,875.00
Dunfield Park	In partnership with Service Canada and the City of Corner Brook, this project allowed participants to build an outdoor theatre while, at the same time, develop career and education plans for the future	Corner Brook/Western	10	35,000.00
Total			1204	248,575.00

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Support Grants	Description	Community/HRLE Region	Youth Served	Amount Paid
St. Lawrence Youth Committee	Supported various youth programs and services	St. Lawrence/Central		6,200.00
Youth Justice Rocks Camp	Promoted the Youth Criminal Justice Act to various youth groups	St. John's/Avalon		500.00
Community Education Network	Supported various youth programs and services	Stephenville/Western		60,000.00
Skills Canada	Supported the promotion of skilled trades to youth	Provincial		50,000.00
Association for New Canadians – Mentoring	Assisted new Canadians with making the transition to the labour market	St. John's/Avalon		21,500.00
Youth Protocol Committee	Supported the promotion of youth programs and services in the Placentia area	Placentia/Avalon		5,000.00
Boys and Girls Clubs of NL (V.I.E.W. Program)	Program designed to assist youth explore their options for the future	Provincial		20,000.00
Humber Economic Dev. Bd. (Youth Retention & Repatriation Initiative)	Youth repatriation initiative as part of a larger youth awareness strategy for the Corner Brook Area	Corner Brook/Western		19,746.00
P4 Youth Centre	Created a program which assisted youth with the transition from high school to post-secondary	Placentia/Avalon		2,390.00
Marystown-Burin Area Chamber of Commerce	Youth Career Fair	Marystown/Central		600.00
MUN Career Fair	Employment focused career fair	Provincial/Avalon		3,000.00
CNA College Day	Increased the awareness of CAN programs for high school students throughout the province	Stephenville/Western		10,000.00
Argentia Area Chamber of Commerce	Youth Career Fair	Argentia/Avalon		3,000.00
Port Blandford-Winter Brook Development Association	Program sponsorship to create a profile of youth in the Clarenville area	Clarenville/Central		2,195.00
Community Development Corporation	Youth Career Fair and employment creation project in partnership with Service Canada and the CBDC	Grand Falls-Windsor/Central		5,000.00
Englee Youth Centre	Support for after-school home work program, promoting career development and post-secondary education	Englee/Western		14,400.00
Youth 2000 Centre	Supported various youth programs and services	Grand Falls-Windsor/Central		10,000.00
Community Centre Alliance (Homework Haven)	Supported after-school Homework Havens at 7 community centres	St. John's/Avalon		25,000.00
Youth Ventures Annual Awards	Support for high achievement in selected areas	Provincial		1,000.00
Community Education Network	Provincial conference for community education leaders	Provincial		2,500.00
College of the North Atlantic	Tuition voucher for work placement	Provincial		400.00
Total				262,431.00
TOTAL			1204	\$511,006.00

Note: The term "support grants" is being used as the projects/activities funded serve a wide youth population as in a Career Fair or After School Homework Program, and are not job specific.

Appendix C
Financial Summary

Table 3: Financial Summary

Program	2004-05 Carryover	2005-06 Allocation	2005-06 Budget	2005-06 Commitments to 03/31/06	2005-06 Expenditure to 03/31/06 ¹	2005-06 Carryover	2005-06 Uncommitted Allocation
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Student Work & Service Program (SWASP) (Paid Employment Component)	83,363	1,500,000	1,583,363	1,436,810	1,300,661 (5,049.50)	141,199	146,553
Graduate Employment Program	679,026	1,200,000	1,879,026	1,871,090	1,011,129	859,961	7,936
Student Employment Program (Levels 1, 11, & 111)	0	500,000	500,000	488,347	488,347	0	11,653
Newfoundland and Labrador Conservation Corps	0	500,000	500,000	500,000	500,000	0	0
Student Work & Service Program (SWASP) (Memorial University/CNA Component)	0	360,000	360,000	360,000	360,000	0	0
Student Work & Service Program (SWASP) (Community Service Component)	51,356	400,000	451,356	451,356	398,845 (43,886.61)	96,398	0
Small Enterprise Co-op Placement Assistance Program (SECAP)	0	650,000	650,000	650,000	650,000	0	0
Youth Opportunities – Marine Co-op	0	100,000	100,000	100,000	100,000	0	0
Faculty of Education	15,000	150,000	165,000	165,000	150,000	15,000	0
Tutoring/Work Experience	255,188	26,000	281,188	255,188	235,833 (782.95)	20,137	26,000
Grants to Youth Organizations (SIOC)	0	400,000	400,000	399,716	385,154 (4,000)	18,562	284
Above and Beyond (SWASP)	0	80,000	80,000	80,000	80,000	0	0
Year Round Student Work & Service Program (SWASP)	204,568	300,000	504,568	504,568	221,247 (71,709.04)	355,030	0
Student Summer Support	0	80,000	80,000	76,737	76,737	0	3,263
Newfoundland and Labrador Youth Advisory Committee	0	75,000	75,000	55,335	55,335	0	19,665
Marine Camp	0	40,000	40,000	23,985	23,985	0	16,015
Social Work Recruitment	0	42,000	42,000	29,381	29,381	0	12,619
Career Related Transitional Wage Program	11,310	100,000	111,310	111,290	111,290 (4,000)	4,000	20
IT - Tutoring for Tuition	12,668	62,000	74,668	60,061	58,772 (17,435)	18,724	14,607
Rural Practice – Medical	2,214	21,000	23,214	16,517	15,837 (980)	1,660	6,697
Administration ²	0	250,000	250,000	36,794	36,794	0	213,206
TOTAL	1,314,693	6,836,000	8,150,693	7,672,175	6,289,347	1,530,671³	478,518

1. Tuition vouchers earned but not cashed in 2005-06 are included and the specific amounts are highlighted in brackets. (Total of \$147,843) These amounts are also included in the carryover total for 2005-06.
2. Costs of Administration were paid directly by the department and are reimbursed by the Corporation, except for salary costs of \$95,534 for fiscal year 2005-06.
3. Includes tuition vouchers earned but not cashed in 2005-06 of \$147,843 and other commitments of \$1,382,828.

Appendix D
Program Description

Student Work and Service Program (SWASP) - Paid Employment Component

Program Description: Under the Paid Employment component of SWASP, a wage subsidy of \$3.00 per hour is provided to employers to hire students who intend to start or continue post-secondary studies. In addition to the wage subsidy, government provides a \$50 weekly tuition voucher to the student.

2005-06 Program Funding:

2004-05 Carryover	\$ 83,363
2005-06 Allocation	\$1,500,000
2005-06 Budget	\$1,583,363
2005-06 Commitments	\$1,436,810
2005-06 Expenditure	\$1,300,661
2005-06 Commitment Carryover at March 31, 2006	\$ 141,199

Youth Served: 1,296 jobs were approved through the Student Work and Service Program (SWASP) - Paid Employment Component.

Note: The 2005-06 Expenditures include tuition vouchers earned in 2005-06 but not cashed and are included in the carryover for 2005-06.

Student Work and Service Program (SWASP) - Community Service Component

Program Description: Through this program, persons entering or returning to post-secondary education within the next year earn a tuition voucher of \$1,400 by performing 35 hours per week of service activity with a not-for-profit organization for an eight-week period. The participants also receive \$50 per week cash stipend to offset out-of-pocket expenses.

2005-06 Program Funding:

2004-05 Carryover	\$ 51,356
2005-06 Allocation	\$ 400,000
2005-06 Budget	\$ 451,356

2005-06 Commitments	\$ 451,356
2005-06 Expenditure	\$ 398,845
2005-06 Commitment Carryover at March 31, 2006	\$ 96,398

\$1M was also contributed to this initiative, coordinated through the Newfoundland and Labrador Community Services Council, by Service Canada.

Youth Served: There were 175 participants served through this SIOC-funded initiative in 2005-06.

Note: The 2005-06 Expenditures include tuition vouchers earned in 2005-06 but not cashed and are included in the carryover for 2005-06.

Student Work and Service Program (SWASP) - Year Round Program

Program Description: The program, administered through the Community Youth Network, is intended to allow SWASP opportunities year round for those students who have dropped out of school in an effort to bring these youth back into the educational setting. Participants are provided with one-on-one assessment, career exploration and planning and work experience in their chosen field. They receive a stipend of \$50 per week and a tuition voucher for post-secondary.

A second component was added in 2004-05 and continued in 2005-06 which addresses some of the financial needs of higher at risk youth. This group is provided a \$100 per week stipend and a \$200 per week tuition voucher. 39 placements were created as a result of this option.

2005-06 Program Funding:

2004-05 Carryover	\$ 204,568
2005-06 Allocation	\$ 300,000
2005-06 Budget	\$ 504,568
2005-06 Commitments	\$ 504,568
2005-06 Expenditure	\$ 221,247
2005-06 Commitment Carryover at March 31, 2006	\$ 355,030

Youth Served: There were 95 positions created through the Year Round Student Work and Service Program (SWASP).

Note: The 2005-06 Expenditures include tuition vouchers earned in 2005-06 but not cashed and are included in the carryover for 2005-06.

Student Employment Program (Levels I, II & III)

Program Description: The Student Employment Program provides funding to not-for-profit organizations to provide summer employment for students from Levels I, II & III. Employers are reimbursed 100% for minimum wage salaries plus a 12% administration fee to cover mandatory employment related costs. Funds were allocated equally to each of the 48 provincial electoral districts.

2005-06 Program Funding:

2004-05 Carryover	\$	0
2005-06 Allocation	\$	500,000
2005-06 Budget	\$	500,000
2005-06 Commitments	\$	488,347
2005-06 Expenditure	\$	488,347
2005-06 Commitment Carryover at March 31, 2006	\$	0

Youth Served: A total of 643 positions were created for Level I, II and III students under the Student Employment Program.

Student Summer Support

Program Description: The Student Summer Support Program provides jobs to students to assist in the administration of summer student employment programs. Students are placed both at the HRLE provincial office and regional offices throughout the province.

2005-06 Program Funding:

2004-05 Carryover	\$	0
2005-06 Allocation	\$	80,000
2005-06 Budget	\$	80,000
2005-06 Commitments	\$	76,737
2005-06 Expenditure	\$	76,737
2005-06 Commitment Carryover at March 31, 2006	\$	0

Youth Served: A total of 23 students were provided jobs throughout the province.

Graduate Employment Program

Program Description: The Graduate Employment Program provides a 60% wage subsidy to private sector employers who employ recent graduates in jobs related to their training. Jobs are generally of a 52-week duration.

2005-06 Program Funding:

2004-05 Carryover	\$ 679,026
2005-06 Allocation	\$1,200,000
2005-06 Budget	\$1,879,026

2005-06 Commitments	\$1,871,090
2005-06 Expenditure	\$1,011,129
2005-06 Commitment Carryover at March 31, 2006	\$ 859,961

Youth Served: There were 149 positions created through the Graduate Employment Program in 2005-06.

Student Work and Service Program (SWASP) - Memorial University and the College of the North Atlantic

Program Description: The program provides placements to departments and organizations within each institution. Students are provided with a tuition credit of \$1,400 for an eight-week placement in addition to a \$50 per week stipend for out-of-pocket costs.

2005-06 Program Funding:

2004-05 Carryover	\$	0
2005-06 Allocation	\$	360,000
2005-06 Budget	\$	360,000
2005-06 Commitments	\$	360,000
2005-06 Expenditure	\$	360,000
2005-06 Commitment Carryover at March 31, 2006	\$	0

Youth Served: There were 195 positions created through the Student Work and Service Program (SWASP) at Memorial University and the College of the North Atlantic.

Student Work and Service Program - MUN/CNA - Above and Beyond

Program Description: The Above and Beyond SWASP Program provides student jobs in paid positions at Memorial University and the College of the North Atlantic. Under this program, students receive wages only and are not provided tuition vouchers as in other SWASP programs.

2005-06 Program Funding:

2004-05 Carryover	\$	0
2005-06 Allocation	\$	80,000
2005-06 Budget	\$	80,000
2005-06 Commitments	\$	80,000
2005-06 Expenditure	\$	80,000
2005-06 Commitment Carryover at March 31, 2006	\$	0

Youth Served: The Above and Beyond SWASP Program created 39 paid positions at both Memorial University and the College of the North Atlantic.

Small Enterprise Co-op Placement Assistance Program (SECPAP) - Memorial University and the College of the North Atlantic

Program Description: The program provides private sector employers with a 50% wage subsidy for students enrolled in co-op education programs and who were employed on work term placements.

2005-06 Program Funding:

2004-05 Carryover	\$	0
2005-06 Allocation	\$	650,000
2005-06 Budget	\$	650,000
2005-06 Commitments	\$	650,000
2005-06 Expenditure	\$	650,000
2005-06 Commitment Carryover at March 31, 2006	\$	0

Youth Served: Subsidies were provided to support 291 positions for students engaged in co-op education programs at Memorial University and for College of the North Atlantic co-op students.

Social Worker Recruitment Program

Program Description: The Social Worker Recruitment Program, administered by the Regional Health Authorities, provides 4th year social work students an opportunity to work in rural Newfoundland and Labrador for their last summer prior to completing their program of study. The objective is to expose graduating students to opportunities in rural areas of the province and to reduce student debt. It is viewed as an early recruitment intervention. Reimbursement is in the form of wages and tuition vouchers.

2005-06 Program Funding:

2004-05 Carryover	\$	0
2005-06 Allocation	\$	42,000
2005-06 Budget	\$	42,000
2005-06 Commitments	\$	29,381
2005-06 Expenditure	\$	29,381
2005-06 Commitment Carryover at March 31, 2006	\$	0

Youth Served: There were 7 students from Memorial's social work program who participated in this program.

Rural Practice Work Experience for Medical Students Program

Program Description: The Rural Practice Work Experience for Medical Students Program, administered by the Newfoundland and Labrador Health Boards Association, provides incentives for medical students to gain work experience while working in rural areas of the province. The objective is to expose medical students to opportunities in rural Newfoundland and Labrador while linking them to the local health care system and reducing their student debt. It is viewed as an early recruitment intervention. Reimbursement is in the form of combined wages and tuition vouchers.

2005-06 Program Funding:

2004-05 Carryover	\$ 2,214
2005-06 Allocation	\$ 21,000
2005-06 Budget	\$ 23,214
2005-06 Commitments	\$ 16,517
2005-06 Expenditure	\$ 15,837
2005-06 Commitment Carryover at March 31, 2006	\$ 1,660

Youth Served: 11 students from Memorial’s medical school participated in this program.

Note: The 2005-06 Expenditures include tuition vouchers earned in 2005-06 but not cashed and are included in the carryover for 2005-06.

Faculty of Education - Professional Practice Seminar and School Placement Program

Program Description: Based on evidence that teacher shortages were emerging in intermediate and secondary subject specializations (mathematics, physics, chemistry, French, computer technology, physical education, art, and music), particularly in rural areas, the Faculty of Education developed the Professional Practice Seminar and School Placement Program. The program provides assistance to students to take part in a comprehensive seminar-based instructional component as well as a four-week placement in the school system. The program complements the mandatory internship placement of the Bachelor of Education program.

2005-06 Program Funding:

2004-05 Carryover	\$ 15,000
2005-06 Allocation	\$ 150,000
2005-06 Budget	\$ 165,000
2005-06 Commitments	\$ 165,000
2005-06 Expenditure	\$ 150,000
2005-06 Commitment Carryover at March 31, 2006	\$ 15,000

Youth Served: Subsidies were provided to support 47 placements, all in rural areas of the province, for Faculty of Education students.

Marine Institute Co-op Program

Program Description: The program provides students and employers with financial assistance to cover salaries and expenses incurred in arranging work terms placements.

2005-06 Program Funding:

2004-05 Carryover	\$	0
2005-06 Allocation	\$	100,000
2005-06 Budget	\$	100,000

2005-06 Commitments	\$	100,000
2005-06 Expenditure	\$	100,000
2005-06 Commitment Carryover at March 31, 2006	\$	0

Youth Served: Subsidies were provided to support 41 positions for students engaged in co-op education programs at Marine Institute.

Marine Camps

Program Description: In partnership with the Marine Institute, this program was designed to create an awareness amongst high school students of the various career opportunities available in the marine and related industries. High school students were engaged in a one-week camp at various points during the summer.

2005-06 Program Funding:

2004-05 Carryover	\$	0
2005-06 Allocation	\$	40,000
2005-06 Budget	\$	40,000
2005-06 Commitments	\$	23,985
2005-06 Expenditure	\$	23,985
2005-06 Commitment Carryover at March 31, 2006	\$	0

Youth Served: There were 38 high school students from around the province who participated in the week-long summer camps.

Tutoring/Work Experience

Program Description: The Tutoring/Work Experience Program provides work experience for Faculty of Education students at Memorial University through tutoring “academically at risk” high school students prior to and during year-end exams. Tutors earn a stipend of \$50 per week and a tuition voucher based on \$5/hour.

2005-06 Program Funding:

2004-05 Carryover	\$ 255,188
2005-06 Allocation ⁴	\$ 26,000
2005-06 Budget	\$ 281,188
2005-06 Commitments	\$ 255,188
2005-06 Expenditure	\$ 235,833
2005-06 Commitment Carryover at March 31, 2006	\$ 20,137

Youth Served: There were 210 students who participated in this program in addition to those tutored.

Note: The 2005-06 Expenditures include tuition vouchers earned in 2005-06 but not cashed and are included in the carryover for 2005-06.

⁴ Adjustments were made to the 2004-05 allocation to allow the department to commence the application process for this program prior to the start of 2005-06.

IT Tutoring For Tuition

Program Description: The IT Tutoring for Tuition program specifically targets students enrolled in online courses within the K-12 system. These are course offerings which are not available in the physical school setting and mainly benefit students from rural areas. Students receive a tuition voucher for tutoring in the various subject areas. The program is administered in partnership with the Centre for Distance Learning and Innovation.

2005-06 Program Funding:

2004-05 Carryover	\$	12,668
2005-06 Allocation	\$	62,000
2005-06 Budget	\$	74,668
2005-06 Commitments	\$	60,061
2005-06 Expenditure	\$	58,772
2005-06 Commitment Carryover at March 31, 2006	\$	18,724

Youth Served: There were 65 high school students who participated in this program from high schools throughout the province.

Note: The 2005-06 Expenditures include tuition vouchers earned in 2005-06 but not cashed and are included in the carryover for 2005-06.

Newfoundland and Labrador Conservation Corps

Program Description: The Conservation Corps, administered by a provincial board of directors, runs a variety of programs related to environmental concerns. While the core funding for programs is from the Student Investment and Opportunity Corporation, 25% of project costs are contributed by Green Team proponents.

2005-06 Program Funding:

2004-05 Carryover	\$	0
2005-06 Allocation	\$	500,000
2005-06 Budget	\$	500,000
2005-06 Commitments	\$	500,000
2005-06 Expenditure	\$	500,000
2005-06 Commitment Carryover at March 31, 2006	\$	0

Youth Served: The Newfoundland and Labrador Conservation Corps created 101 positions for the Province's youth.

Newfoundland and Labrador Youth Advisory Committee

Program Description: The Newfoundland and Labrador Youth Advisory Committee is a committee of 15 youth and 4 adult mentors from across the Province established to advise government on issues related to youth.

2005-06 Program Funding:

2004-05 Carryover	\$	0
2005-06 Allocation	\$	75,000
2005-06 Budget	\$	75,000
2005-06 Commitments	\$	55,335
2005-06 Expenditure	\$	55,335
2005-06 Commitment Carryover at March 31, 2006	\$	0

Youth Served: The Newfoundland and Labrador Youth Advisory Committee serves the general youth population of the province.

Various Grants to Youth Organizations

Program Description: Grants to Youth Organizations addressed increased needs in areas of youth leadership, career exploration and personal development projects in partnership with other sources, particularly the federal government.

2005-06 Program Funding:

2004-05 Carryover	\$	0
2005-06 Allocation	\$	400,000
2005-06 Budget	\$	400,000
2005-06 Commitments	\$	399,716
2005-06 Expenditure	\$	385,154
2005-06 Commitment Carryover at March 31, 2006	\$	18,562

Youth Served: Initiatives generally were meant to reach youth throughout the province. For 2005-06 significant efforts were made to quantify the number of youth directly benefiting from this fund. A total of 1204 youth were identified as directly benefiting from funding. As summarized in Appendix B, over 30 initiatives were supported during the year.

Note: The 2005-06 Expenditures include tuition vouchers earned in 2005-06 but not cashed and are included in the carryover for 2005-06.

Career Related Transitional Wage Program

Program Description: Funding under this initiative assisted a number of programs in 2005-06 that focused on entrepreneurship and promoting skilled trades.

2005-06 Program Funding:

2004-05 Carryover	\$ 11,310
2005-06 Allocation	\$ 100,000
2005-06 Budget	\$ 111,310

2005-06 Commitments	\$ 111,290
2005-06 Expenditure	\$ 111,290
2005-06 Commitment Carryover at March 31, 2006	\$ 4,000

Youth Served: Included within Grants to Youth Organizations summary in Appendix B.

Note: The 2005-06 Expenditures include tuition vouchers earned in 2005-06 but not cashed and are included in the carryover for 2005-06.

Administration

Program Description: Funding is required for essential administrative and delivery staff in order to offer and administer effective programs.

2005-06 Program Funding:

2004-05 Carryover	\$	0
2005-06 Allocation	\$	250,000
2005-06 Budget	\$	250,000

2005-06 Commitments	\$	36,794
2005-06 Expenditure	\$	36,794
2005-06 Commitment Carryover at March 31, 2006	\$	0

Costs of administration were paid directly by the department and are reimbursed by the Corporation, except for salary costs of \$95,534 for fiscal year 2005-06.

Appendix E
Audited Financial Statements

NEWFOUNDLAND AND LABRADOR
STUDENT INVESTMENT AND
OPPORTUNITY CORPORATION
AUG 10 2006

**NEWFOUNDLAND AND LABRADOR
STUDENT INVESTMENT AND
OPPORTUNITY CORPORATION**

FINANCIAL STATEMENTS

31 MARCH 2006



OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

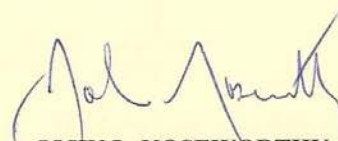
AUDITOR'S REPORT

To the Board of Directors
Newfoundland and Labrador Student
Investment and Opportunity Corporation
St. John's, Newfoundland and Labrador

I have audited the balance sheet of the Newfoundland and Labrador Student Investment and Opportunity Corporation as at 31 March 2006 and the statement of revenues, expenses and surplus for the year then ended. These financial statements are the responsibility of the Board'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.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Newfoundland and Labrador Student Investment and Opportunity Corporation as at 31 March 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.


JOHN L. NOSEWORTHY, C.A.
Auditor General

St. John's, Newfoundland and Labrador
9 June 2006

**NEWFOUNDLAND AND LABRADOR STUDENT INVESTMENT AND
OPPORTUNITY CORPORATION**

BALANCE SHEET

31 March

2006

2005

ASSETS

Current

Cash	\$ 2,377,709	\$ 2,270,348
Accounts receivable	6,949	4,886
Due from Province – operating grant	-	2,742
	\$ 2,384,658	\$ 2,277,976

LIABILITIES AND EQUITY

Current

Accounts payable	\$ 216,824	\$ 87,999
Due to Province – Special Purpose Fund	-	29,301
	216,824	117,300

Equity

Share capital (Note 2)	-	-
Equity	2,167,834	2,160,676
	\$ 2,384,658	\$ 2,277,976

Commitments (Note 3)

See accompanying notes

Signed on behalf of the Board:


Chairperson


Member

**NEWFOUNDLAND AND LABRADOR STUDENT INVESTMENT AND
OPPORTUNITY CORPORATION**

STATEMENT OF REVENUES, EXPENSES AND SURPLUS

For the Year Ended 31 March

2006

2005

REVENUES

Grants from the Province of Newfoundland and Labrador	\$ 6,234,000	\$ 6,233,932
Investment income	62,505	58,852
	<u>6,296,505</u>	<u>6,292,784</u>

EXPENSES

Administration (Note 4)	36,794	120,792
Programs:		
Student Works and Services Program (SWASP)		
– Paid Employment	1,300,661	1,348,009
Graduate Employment Program	1,011,129	1,006,533
Small Enterprise Co-op Placement Assistance Program	650,000	800,000
Newfoundland and Labrador Conservation Corps	500,000	500,000
Student Employment Program (High School Students)	488,347	489,730
Student Works and Services Program – Community Service	398,845	377,498
Grants to Youth Organizations	385,154	269,469
Student Works and Services Program – Post Secondary	360,000	360,000
Tutoring/Work Experience	235,833	220,846
Year Round SWASP	221,247	121,824
Faculty of Education Co-op Program	150,000	165,000
Career Related Transitional Wage Program	111,290	1,490
Youth Opportunities Program	100,000	748,802
Above and Beyond SWASP	80,000	80,000
Student Summer Support	76,737	60,603
Tutoring for Tuition Program	58,772	49,317
Newfoundland and Labrador Youth Advisory Program	55,335	75,633
Social Worker Recruitment Program	29,381	16,912
Marine Camp Program	23,985	40,000
Rural Practice Work Experience for Medical Students Program	15,837	18,399
	<u>6,289,347</u>	<u>6,870,857</u>

Excess of revenues over expenses (expenses over revenues)	7,158	(578,073)
Surplus, beginning of year	2,160,676	2,738,749
Surplus, end of year	\$ 2,167,834	\$ 2,160,676

See accompanying notes

**NEWFOUNDLAND AND LABRADOR STUDENT INVESTMENT AND
OPPORTUNITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2006**

Authority

The Newfoundland and Labrador Student Investment and Opportunity Corporation (the Corporation) was incorporated on 29 March 2001 under *The Corporations Act* of the Province of Newfoundland and Labrador. The Province holds the only issued common share. The affairs of the Corporation are managed by a board of directors (the Board) appointed under the direction of the Minister of Human Resources, Labour and Employment. All of the board members are full-time employees of the Province of Newfoundland and Labrador.

The objective of the Board is to hold funds and direct expenditures for programs aimed at providing employment experience for students and to assist them in earning money towards their post-secondary education.

1. Significant accounting policies

These financial statements have been prepared by the Board's management in accordance with Canadian generally accepted accounting principles. The Board does not prepare a statement of cash flows since there are no investing and financing activities and the changes in cash flows are readily apparent from the other statements.

2. Share capital

Share capital consists of:

Authorized
One no par value share

Issued and Outstanding
One no par value share

Pursuant to the direction of the Lieutenant-Governor in Council, as at 31 March 2006, the Minister of Human Resources, Labour and Employment holds the only issued share of the Corporation on behalf of the Province.

3. Commitments

As at 31 March 2006, the Corporation has entered into agreements representing commitments of \$1,382,828 (31 March 2005 - \$1,376,781).

**NEWFOUNDLAND AND LABRADOR STUDENT INVESTMENT AND
OPPORTUNITY CORPORATION**
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2006

4. Related party transactions

The Corporation is administered by employees of the Department of Human Resources, Labour and Employment and the Department of Finance. Programs funded by the Corporation are primarily managed by the Department of Human Resources, Labour and Employment. Costs of administration are paid directly by the departments and are reimbursed by the Corporation, except for salary costs of \$95,534 which are not reimbursed.

5. Economic dependence

As a result of its reliance on future transfers from the Province of Newfoundland and Labrador to fund its approved programs and operating costs, the Corporation's ability to continue is dependent upon the decisions of Government.

6. Income taxes

The Corporation is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

7. Financial instruments

The Corporation's financial instruments recognized on the balance sheet consist of cash, accounts receivable and accounts payable. The carrying values of these instruments approximate current fair value due to their nature and the short-term maturity associated with them.

