



FINANCE AND AUDIT COMMITTEE PUBLIC MEETING AGENDA

**The Central Okanagan Board of Education acknowledges that this meeting is being held
on the Traditional Territory of the Okanagan People.**

DATE: Wednesday, October 16, 2019
TIME: 4:00 pm
LOCATION: School Board Office
1040 Hollywood Road S.
Kelowna, BC

1. AGENDA

Additions/Amendments/Deletions

2. REPORTS/MATTERS ARISING

2.1 Finance and Audit Committee Public Meeting Report – September 18, 2019
(Attachment)

3. PUBLIC QUESTION/COMMENT PERIOD

4. COMMITTEE MEMBERS QUERIES/COMMENTS

5. DISCUSSION/ACTION ITEMS

5.1 Financial Update – September 30, 2019
(Attachment)

STAFF RECOMMENDATION:

**THAT: The Finance and Audit Committee receive the Financial Update as of
September 30, 2019 as presented and forward to the Board of Education as an
information item.**

6. COMMITTEE CORRESPONDENCE

7. ITEMS REQUIRING SPECIAL MENTION

**8. RECOMMENDATIONS/REFERRALS TO
THE BOARD/COORDINATING COMMITTEE/OTHER COMMITTEES**

9. ITEMS FOR FUTURE FINANCE AND AUDIT COMMITTEE MEETINGS

Future Public Finance and Audit Committee Meetings

- Young Parent Program Report
- Rental Program Report (Profitability)
- Review of all Joint Use Agreements

September	October	November
- Presentation: Audited Financial Statements for the Fiscal Year - Audited Financial Statements for the Fiscal Year (<i>Action Item</i>)	- Financial Update at September 30th	- Budget Development Principles - School District No. 23 (Central Okanagan) Budget Development Timeline

January	February	April (1st meeting)
- Amended Annual Budget for the Fiscal Year - Ministry Recalculation Allocation – School District No. 23 and Provincial - Financial Update at December 31st - Budget Survey development - Annual Review of Committee's Mandate, Purpose and Function	- Budget Presentation	- Overview of Budget Allocation - Budget Consultation Input Received - Trustee Indemnity for the 2019/2020 Fiscal Year
April (2nd meeting)	May	June
- Central Okanagan School District Preliminary Budget Proposal – Superintendent's Budget Recommendations - Financial Report at March 31st	- Auditor's Report to the Finance and Audit Committee – Initial Communication on Audit Planning for the Year - Annual CommunityLINK Allocations - Financial Update – International Education Program	- School District No. 23 (Central Okanagan) Annual Budget for the Fiscal Year

10. FUTURE FINANCE AND AUDIT 2019 COMMITTEE MEETINGS

November 20, 2019 at 4:00 pm

11. MEDIA QUESTIONS

12. ADJOURNMENT

CENTRAL OKANAGAN PUBLIC SCHOOLS – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Audit Committee Meeting DATE: September 18, 2019

CHAIRPERSON: Trustee C. Cacchioni STAFF CONTACT: D. Carmichael, Assistant Secretary-Treasurer

*The Committee Chairperson acknowledged that the meeting was being held
on the Traditional Territory of the Okanagan People.*

In attendance:

Board of Education:

Trustee R. Cacchioni (Chairperson)
Trustee J. Fraser (Committee Member)
Trustee L. Tiede (Committee Member) – *arrived at 4:07 pm*
Trustee M. Baxter

In attendance:

Staff:

K. Kaardal, Superintendent of Schools/CEO
R. Stierman, Secretary-Treasurer/CFO
T. Beaudry, Deputy Superintendent of Schools
D. Carmichael, Assistant Secretary-Treasurer
V. Dougans, Finance Manager
M. DesRochers, Executive Assistant (*Recorder*)

Partner Group Representation:

COTA Susan Bauhart, President
COPAC Cherylee Morrison, Co-President (*arrived at 4:07 pm*)
COPVPA Des Sjoquist, Vice-President
CUPE Dave Tether, President
DSC No Representative

Agenda/Additions/Amendments/Deletions

Trustee Baxter was appointed Acting Committee Member in the absence of Trustee Tiede.

September 18, 2019 Agenda – approved as presented.

Reports/Matters Arising

June 19, 2019 Committee Report – received as presented.

4:07 pm: Trustee Tiede joined the meeting and assumed her role as Committee Member.

4:07 pm: The COPAC Co-President joined the meeting.

Presentation

1. Presentation: Report to the Finance and Audit Committee – Communication of Audit Results and Audited Financial Statements Fiscal Year 2018/2019

Tyler Neels and Kate Cumming of Grant Thornton LLP presented the Communication of Audit Results and Audited Financial Statement Fiscal Year 2018/2019. The audit of the Central Okanagan Public Schools 2018/2019 has been substantially completed and the final audited financial statements must be provided electronically to the Ministry of Education by September 30, 2019.

The Grant Thornton LLP representatives advised full cooperation had been received from the District's management staff during the audit process, no illegal or fraudulent acts were identified during the comprehensive audit, and there are no adjustments or internal controls to report.

The Grant Thornton LLP representatives stated that a third party expert was relied upon to evaluate the employee future benefits. The Independent Auditor's Report was outlined as well as the draft Management Representation letter.

Discussion/Action Items

1. Audited Financial Statements Fiscal Year 2018/2019

The Assistant Secretary-Treasurer outlined the Audited Financial Statements for the 2018/2019 fiscal year, which include a Statement of Financial Position, Statement of Operations, Statement of Remeasurement Gains and Losses, Statement of Changes in Net Financial Assets (Debt), and Statement of Cash Flows.

The Grant Thornton LLP representatives reviewed the Notes to the financial statements. District staff and the Grant Thornton representatives responded to questions.

Outcomes

The Committee received the Audited Financial Statements Fiscal Year 2018/2019, as attached to the agenda and as presented at the September 18, 2019 Finance and Audit Committee Public Meeting.

The Committee recommended that the Board of Education receive and approve the Audited Financial Statements Fiscal Year 2018/2019.

2. Renewal of External Auditors, Grant Thornton LLP

The Assistant Secretary-Treasurer stated that five years ago a tender went out for external auditors. Grant Thornton LLP was awarded the contract for five years with an option (for the Board) to renew a further five years. The Assistant Secretary-Treasurer advised that at the end of the additional five years (June 2024), a formal Request for Proposals will be sent to audit firms.

Outcomes

The Committee recommended that the Board of Education renew the appointment of Grant Thornton LLP as the auditors for the Central Okanagan School District for a period of five years beginning with the audit of the 2019/2020 fiscal year.

Discussion/Information Items

1. Financial Statement Discussion and Analysis the Year Ending June 30, 2019

The Assistant Secretary-Treasurer stated that the Ministry of Education requires schools district's to provide a Financial Statement Discussion and Analysis report to accompany the annual Audited Financial Statements.

The Assistant Secretary-Treasurer reviewed the *Financial Statement Discussion and Analysis the Year Ending June 30, 2019* report and responded to questions. A few housekeeping items were recommended prior to the report going forward to the Board. The Assistant Secretary-Treasurer will make the amendments prior to forwarding to the Board. The *Financial Statement Discussion and Analysis the Year Ending June 30, 2019* will be included as an appendix when the *Audited Financial Statements Fiscal Year 2018/2019* goes forward to the Board of Education.

2. Funding Formula Update

The Superintendent of Schools/CEO stated that provincial committees are still meeting regarding the Funding Formula Review. Additional information is expected to be received sometime in the Fall of 2019.

Recommendations/Referrals to the Board/Coordinating Committee/Other Committees

Future Public Board Meeting:

- *Audited Financial Statements Fiscal Year 2018/2019 (Action Item)*
- *Renewal of External Auditors, Grant Thornton LLP (Action Item)*

Items for Future Finance and Audit Committee Meetings

Future Public Finance and Audit Committee Meetings

- *Young Parent Program Report*
- *Rental Program Report (Profitability)*
- *Review of all Joint Use Agreements*

September	October	November
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- Presentation: Audited Financial Statements for the Fiscal Year - Audited Financial Statements for the Fiscal Year (<i>Action Item</i>)	- Financial Update at September 30th - School Based Meals Program Update	- Budget Development Principles - School District No. 23 (Central Okanagan) Budget Development Timeline
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Meeting Schedule

October 16, 2019 at 4:00 pm November 20, 2019 at 4:00 pm

Questions – Please Contact:

Trustee Rolli Cacchioni, Chairperson

Phone: 250-765-3419

email: Rolli.Cacchioni@sd23.bc.ca

Delta Carmichael, Assistant Secretary-Treasurer

Phone: 250-470-3233

email: Delta.Carmichael@sd23.bc.ca

Rolli Cacchioni, Chairperson

Operating Fund			Actual to Sept 30, 2019	Forecast to Year End	2019/2020 Annual Budget	Forecast (Over) Under	Forecast Variance %	Commentary
Instruction	Salaries & Benefits		18,130,991	181,309,907	178,757,494	(2,552,413)	-1.43%	Overall student enrolment was higher than expected (resulting in increased teachers FTE) at the Annual Budget, Amended Budget has been adjusted for this increase.
	Services and Supplies		2,821,591	11,046,380	11,046,380	0	0.00%	Spending progressing as expected.
	Total	1	20,952,582	192,356,287	189,803,874	(2,552,413)	-1.34%	
District Administration	Salaries & Benefits		1,119,443	4,662,774	4,683,704	20,931	0.45%	Spending progressing as expected.
	Services and Supplies		534,603	1,680,447	1,680,447	0	0.00%	Spending progressing as expected.
	Total	4	1,654,046	6,343,221	6,364,151	20,931	0.45%	
Operations & Maintenance	Salaries & Benefits		3,245,770	14,983,079	15,083,590	100,511	0.67%	Salaries continue to be lower than expected due to an unfilled posting in trades.
	Services and Supplies		1,867,126	8,609,523	8,609,523	0	0.00%	Spending progressing as expected.
	Total	5	5,112,896	23,592,602	23,693,113	100,511	0.42%	
Transportation	Salaries & Benefits		341,538	3,100,000	2,945,336	(154,664)	-5.25%	Additional routes are being added to the system, Annual Budget absorbed some of this but the Amended Budget has been adjusted for the additional expenses.
	Services and Supplies		508,846	1,183,500	1,183,500	0	0.00%	Spending progressing as expected.
	Total	7	850,384	4,283,500	4,128,836	(154,664)	-3.75%	
TOTALS			28,569,908	226,575,610	223,989,975	(2,585,635)	-1.15%	

Capital Fund			Actual to Sept 30, 2019	Forecast to Year End	2019/2020 Annual Budget	Forecast (Over) Under	Forecast Variance %	Commentary
Capital Assets	Local Capital	03	\$ 2,146,007	\$ 4,338,899	\$ 4,338,899	\$ -	0.00%	Additions relate primarily to the District's school refresh program and school based capital purchases.
	Bylaw Capital	99	1,319,505	13,195,051	13,195,051	-	0.00%	Amortization adjusted each year once financial statements are finalized.
TOTALS			\$ 3,465,512	\$ 17,533,950	\$ 17,533,950	\$ -	0.00%	

Special Purpose Funds		Fund	Actual to Sept 30, 2019	Forecast to Year End	2019/2020 Annual Budget	% of Budget Spent	Forecast (Over) Under
Annual Facilities		57	\$ 799,967	\$ 1,200,778	\$ 785,351	101.86%	Includes prior year carry forward balances to be spent by March 2020.
Classroom Enhancement		71	1,592,772	15,663,856	12,240,629	13.01%	Additional CEF funding has been requested, will know mid to late November. Have additional teachers added for composition.
Community Link		85	28,948	1,261,106	1,270,780	2.28%	Includes fiscal 2019 carry fwd to be spent by June 2020.
Learning Improv-Support Staff		97	14,157	868,237	793,018	1.79%	Includes fiscal 2019 carry fwd to be spent by June 2020.
Official Languages (French)		96	45,845	331,771	308,871	14.84%	Includes fiscal 2019 carry fwd to be spent by June 2020.
Provincial Resource Project		88	68,555	186,965	180,570	37.97%	Includes fiscal 2019 carry fwd to be spent by June 2020.
Ready Set Learn		95	4,950	75,950	75,948	6.52%	Spending will progress as expected throughout the year.
School Generated		89	522,830	7,800,000	7,300,000	7.16%	Preliminary budget was light; adjusted through Amended Budget.
Special Education Equipment		72	-	22,065	30,000	0.00%	Spending will progress as expected throughout the year.
Strong Start		94	18,580	256,000	256,000	7.26%	Spending will progress as expected throughout the year.
TOTALS			\$ 3,096,604	\$ 27,666,728	\$ 23,241,167	13.32%	

Total Budget Bylaw	\$ 264,765,092
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Bylaw Capital Projects		Fund	Actual to Sept 30, 2019	Ministry COA Budget	Balances Still to Withdraw	% of Budget Spent	Forecast (Over) Under
Annual Facilities Grant		57	\$ 525,651	\$ 3,075,143	\$ 2,549,492	17.09%	Expected to fully spend by March 31, 2020.
Canyon Falls Middle		33	33,225,110	36,360,000	\$ 3,134,890	91.38%	Project is at substantial completion, final payments will occur within the next 30 days.

H.S. Grenda Middle	33	4,101,989	28,852,848	\$ 24,750,859	14.22%	Must be fully spent by June 1, 2021, will request extension as required.
Dust Collectors	34	42,062	245,225	\$ 203,164	17.15%	Projects are almost completed. Balance will be tsf to MOE Restricted for future use.
MBSS Bathroom Upgrade	35	548,582	590,000	\$ 41,418	92.98%	To be spent by March 31, 2020.
RLE Playground	35	105,000	105,000	\$ -	100.00%	Playground has been purchased and installed.
SLE Playground	35	-	105,000	\$ 105,000	0.00%	Playground has been ordered. Funding must be spent by March 31, 2020.
Replacement Buses	35	939,944	984,008	\$ 44,064	95.52%	To be spent by March 31, 2020.
TOTALS		\$ 39,488,337	\$ 70,317,224	\$ 30,828,888	56.16%	

Other Information				2019/2020 Figures (30-Sept-19)	2018/2019 Figures	Notes
Appropriated Surplus				0	4,023,494	
Unappropriated Surplus				0	1,866,565	
	Total Surplus			\$ -	\$ 5,890,059	Available for carry forward
					Change	
Staffing FTE	Teachers	MBF		1,420.97	1,382.51	38.46 FTE growth & complexity of school organizations
	Principal/Vice Principals	MBF		99.60	94.00	5.60 Ab. Ed. VP (1), Int'l Ed. District Principal (.6), CFS (2), middle school VP (2)
	Educational Assistants			554.00	510.00	44.00 Student FTE growth & complexity of school organizations
	Support Staff			519.00	498.00	21.00 Increase in bus drivers (routes), advocates (increase in funding), clerical (CFS)
	Other Professionals	MBF		39.50	37.70	1.80 Asst Transport Mng (1), Asst Cust Mng (1), Int'l Ed. (-.2)
	Total Staffing FTE			2,633.07	2,522.21	
Funded Students (FTE)				Preliminary (9-Oct)	Change	
	School Age			22,666.0625	22,279.6000	386.46 Annual Budget = 150 FTE, April staffing = 352.5 FTE
	Alternate Schools			266.5000	255.0000	11.50
	Distributed Learning (DL)			131.1875	144.5000	(13.31) February recount expected to absorb this FTE decrease
	Total Enrolment Based Funding			23,063.7500	22,679.1000	
					Change	
	Level 1 Special Needs			15.0000	18.0000	(3.00)
	Level 2 Special Needs			1,010.0000	904.0000	106.00 new Ks, home school & private sector students in our system.
	Level 3 Special Needs			263.0000	223.0000	40.00
	English Language Learners			756.0000	604.0000	152.00 Per are a preferred destination for Immigration, Refugees & Citizenship Canada to settle refugees. As well, our syrian student FTE has increased over the prior year.
	Aboriginal Education			2,863.0000	2,679.0000	184.00 More students accessing the Aboriginal Education program
	Adult Education			7.7500	6.7500	1.00
	Supplemental for Unique Student Needs			4,914.7500	4,434.7500	
	CE - Feb/May (Recount)			0.0000	12.0000	Feb & May/20 FTE not yet included
	DL - Feb/May (Recount)			0.0000	327.0000	Feb & May/20 FTE not yet included
	Level 2 Special Needs			0.0000	10.0000	Feb & May/20 FTE not yet included
	Level 3 Special Needs			0.0000	20.0000	Feb & May/20 FTE not yet included
	ELL Supplement - Newcomer Refugees			0.0000	3.0000	Feb & May/20 FTE not yet included
	Total Feb & May Enrolment Counts			0.0000	372.0000	
	International Education			400.0000	400.0000	
	Total Student FTE			28,378.5000	27,885.8500	