

CENTRAL OKANAGAN PUBLIC SCHOOLS – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Audit Committee Meeting DATE: January 23, 2019

CHAIRPERSON: Trustee C. Cacchioni STAFF CONTACT: E. Sadlowski, Secretary-Treasurer/CFO

*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)
Trustee M. Baxter

In attendance:

Staff:

E. Sadlowski, Secretary-Treasurer/CFO
D. Carmichael, Assistant Secretary-Treasurer
T. Beaudry, Deputy Superintendent
V. Dougans, Finance Manager
M. DesRochers, Executive Assistant (*Recorder*)

Absent:

Kevin Kaardal, Superintendent of Schools/CEO

Partner Group Representation:

COTA Susan Bauhart, President
COPAC Sarah Shakespeare, President (*arrived at 4:05 pm*)
COPVPA Mike Dornian, Treasurer
CUPE David Tether, President
DSC No Representation

Agenda/Additions/Amendments/Deletions

January 23, 2019 Agenda – approved as presented.

Reports/Matters Arising

November 21, 2018 Committee Report – received as presented.

Discussion/Action Items

1. Approval of 2018/2019 Amended Annual Budget

The Assistant Secretary-Treasurer stated that an Amended Annual Budget reflecting updated revenues and expenses based on actual student enrolment and projected expenditure patterns must be submitted by the end of February each year. The Amended Budget Bylaw amount is \$260,904,760, which is a \$4.839 million increase. A number of factors have contributed to this increase, including but not limited to, an increase in student enrolment, additional funding for classroom enhancement funding, and a balance carry forward from the 2017/2018 Annual Facility Grant special purpose fund. At this time, there is uncertainty on whether or not the District will be required to pay the Employer Health Tax (EHT). If the EHT is payable, the first installment payment would be due June 15, 2019.

4:05 pm the COPAC President joined the meeting.

In response to a query from the COPVPA representative, the Assistant Secretary-Treasurer stated that the potential pressure of the EHT is approximately \$3 million/year.

Outcome:

The Committee recommended that at the February 13, 2019 Public Board Meeting, the Board of Education give first, second and third readings to the School District No. 23 (Central Okanagan) Amended Annual Budget Bylaw for 2018/2019 and that the School District No. 23 (Central Okanagan) Amended Annual Budget Bylaw for 2018/2019 in the amount of \$260,904,760 be read a first, second and third time, passed and adopted the 13th day of February, 2019.

2. Financial Update – December 31, 2018

The Assistant Secretary-Treasurer provided a financial update for the first six months of the school year, period ending December 31, 2018. Actual spending to December 31, 2018 as well as forecast spending for the remainder of the year were outlined. The District anticipates an unrestricted operating surplus of approximately \$2.5 million at June 30, 2019, which is in line with previous years.

Outcome:

The Committee received the Financial Update as of December 31, 2018 as presented and it will be forwarded to the Board.

3. Annual Review of Committee's Mandate, Purpose and Function – Policy 160

The Committee reviewed *Policy 160 – Finance and Audit Committee* and recommended a few updates to align with Ministry documentation regarding audit committee.

The Assistant Secretary-Treasurer stated that *Policy 160 – Finance and Audit Committee* will be updated to align with the Ministry's documentation regarding audit committee. The amended Policy will come forward to the February 20, 2019 Finance and Audit Committee Meeting.

4. Discussion of Changes to Policy 190 – Trustee Expenses

The Assistant Secretary-Treasurer stated that updates to *Policy 190 – Trustee Expenses* are required due to the elimination of the one-third tax-free indemnity allowance. Two options were outlined for the Committee to consider.

The Committee recommended a few amendments to *Policy 190 – Trustee Expenses* and request that the amended Policy come forward to the February 20, 2019 Finance and Audit Committee Meeting.

Information Items

1. Budget Survey Development

The Assistant Secretary-Treasurer presented the draft 2019-2020 Budget Survey Questions for review. The Committee Chair recommended a few minor edits prior to the survey being distributed, including the addition of general salary costs for the average teacher, support staff, etc.

2. Ministry Recalculation – School District No. 23 (Central Okanagan) and Provincial

The Assistant Secretary-Treasurer stated that every December the District receives an updated operating grant summary from the Ministry of Education reflecting the September enrolment count and the amended budget is updated accordingly.

Items Requiring Special Mention

- The Deputy Superintendent of Schools reported that a few District Academies are requesting increases to tuition fees for the 2019-2020 school year and asked if these fee increases should go through the Education and Student Services Committee or the Finance and Audit Committee.

The Committee Chair recommended that programming changes be vetted through the Education and Student Services Committee and quantitative changes be forwarded to the Finance and Audit Committee.

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

Public Board Meeting:

- *Approval of 2018/2019 Amended Annual Budget (Action Item)*
- *Financial Update – December 31, 2018 (Information Item)*

Items for Future Finance and Audit Committee Meetings

Public Finance and Audit Meeting:

- Regulations 470R – Transportation Services Management (Discussion Item)
- Amended Policy 190 – Trustee Expenses (Action Item)
- Amended Policy 160 – Finance and Audit Committee (Action Item)

September	October	November
- Presentation: Audited Financial Statements for the Fiscal Year - Audited Financial Statements for the Fiscal Year (Action Item)	- Financial Update at September 30th	- School District No. 23 (Central Okanagan) 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	- 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 Update 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 - Review of Policy 425 and Regulations 425R - Student Fees	- School District No. 23 (Central Okanagan) Annual Budget for the Fiscal Year - Policy 161 –Accumulated Operating Surplus

Meeting Schedule

February 20, 2019 at 4:00 pm	May 15, 2019 at 4:00 pm	October 16, 2019 at 4:00 pm
April 3, 2019 at 4:00 pm	June 19, 2019 at 4:00 pm	November 20, 2019 at 4:00 pm
April 17, 2019 at 4:00 pm	September 18, 2019 at 4:00 pm	

Questions – Please Contact:

Trustee Rolli Cacchioni, Chairperson	Phone: 250-765-3419	email: Rolli.Cacchioni@sd23.bc.ca
Eileen Sadlowski, Secretary-Treasurer/CFO	Phone: 250-470-3224	email: Eileen.Sadlowski@sd23.bc.ca
Delta Carmichael, Assistant Secretary-Treasurer	Phone: 250-470-3233	email: Delta.Carmichael@sd23.bc.ca

Rolli Cacchioni, Chairperson