

CENTRAL OKANAGAN PUBLIC SCHOOLS – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Audit Committee Meeting DATE: June 20, 2018

CHAIRPERSON: Trustee J. Fraser 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 J. Fraser (Chairperson)
Trustee R. Cacchioni (Committee Member)
Trustee L. Tiede (Committee Member)
Trustee M. Baxter
Trustee D. Butler
Trustee L. Mossman

In attendance:

Staff:

E. Sadlowski, Secretary-Treasurer/CFO
D. Carmichael, Assistant Secretary-Treasurer
K. Kaardal, Superintendent of Schools/CEO
T. Beaudry, Deputy Superintendent
V. Dougans, Finance Manager
L. Parker, Executive Assistant (*Recorder*)

Partner Group Representation:

COTA Susan Bauhart, President
COPAC No representative
COPVPA Mike Dornian, Treasurer
CUPE Margaret Varga, Vice-President
DSC Tiana Calao, Member

Agenda/Additions/Amendments/Deletions

Amend: Action Item 6.1 Updated Information – 2018/2019 Annual Budget Bylaw

June 20, 2018 Agenda – approved as amended.

4:01 The COTA President arrived at the meeting.

Reports/Matters Arising

Amend: Amend Attendees - Trustee J. Fraser was absent on Board Business

May 16, 2018 Committee Report – received as amended.

Discussion/Action Items

1. 2018/2019 Annual Budget Bylaw

The Secretary-Treasurer/CFO presented the Annual Budget for Fiscal Year 2018/2019 to the Committee. The information provided was detailed on the Committee Report from the Finance and Audit Committee Meeting on April 18, 2018, also detailed on Appendix B on the June 20 Memo to the Committee.

The Secretary-Treasurer/CFO stated there was a larger than normal surplus projected due to teachers costing less than originally budgeted, the elimination of MSP premiums and underspending in utilities due to energy saving processes adding additional savings. There were also savings from anticipated admin increases that were disallowed by Public Sector Employer's Council (PSEC). The actual surplus amount will be confirmed once the June 30, 2018 yearend is finalized in September, an estimate was provided in Appendix D on the June 20 Memo to the Committee.

The Secretary-Treasurer/CFO stated that enrolment is the main driver and the budget is dependent on how many students are enrolled in September 2018. Other discussion and questions were answered by the Office of the Secretary-Treasurer during discussion time.

Outcome:

THAT: The Finance and Audit Committee recommends to the Board of Education:

THAT: The Board of Education give first, second and third readings to the School District No. 23 (Central Okanagan) Annual Budget Bylaw for the Fiscal Year 2018/2019 in the amount of \$256,065,800.

THAT: The School District No. 23 (Central Okanagan) Annual Budget Bylaw for the Fiscal Year 2018/2019 in the amount of \$256,065,800 be read a first, second and third time, passed and adopted on the 27th day of June 2018.

2. New Policy 161 – Accumulated Operating Surplus

The Assistant Secretary-Treasurer stated that a Policy has been created for the District reflecting current practices used in the District for accumulated operating surpluses. The surpluses will continue to be targeted within their current funds and accumulated/carried over year to year. The Secretary-Treasurer/CFO and the Assistant Secretary-Treasurer reviewed many other School District Policies and implemented similar wording and elements.

Outcome:

THAT: The Finance and Audit Committee recommends to the Board of Education:

THAT: The Board of Education approve new Policy 161 – Accumulated Operating Surplus as attached and as presented at the Finance and Audit Committee Meeting, June 20, 2018.

Information Items

1. K-12 Funding Independent Panel Review

The Secretary-Treasurer/CFO stated that an independent funding review was completed by the Ministry with all 60 School Districts participating. An update was provided comparing similarities and differences between the Districts. Most Districts were not in favour of performance-based funding, recruitment and retention were challenges for all Districts, and Districts felt that Special Education was underfunded. Districts requested that announcements were made by the Ministry earlier and that formulas provided were more consistent. School Districts also expressed that surplus funds were necessary to enable them to purchase unfunded items such as portables. The Ministry will review the report and decide if/how to adapt the funding formula based on the feedback provided.

2. Financial Statement Discussion and Analysis (DRAFT)

The Assistant Secretary-Treasurer stated that it is now a Ministry requirement to create a financial health report that will accompany the audited financial statements each year. Neither a template nor parameters were provided so the department created a draft version for the Committee's review and feedback. The report is a living document that will be updated annually and submitted with the audited financial statements.

The Secretary-Treasurer/CFO noted that the recommended maximum for unrestricted surplus was 5% of operating expenses. Our District is sitting at 2.83% which is much lower than other similar Districts in the Province.

3. Amended Regulations 470R – Transportation Services Management

The Assistant Secretary-Treasurer stated a suggested amendment to the Regulation by removing dollar figures to allow for mileage changes each year and to prevent the Regulation from requiring an annual update. The annual maximum transportation assistance rate will be adjusted but removed on the Regulations.

The Committee discussed the importance of keeping a maximum annual assistance rate noted on the Regulation and providing clear and concise rules to assist with any challenges that may arise.

Outcome:

Regulations 470R – Transportation Services Management to return for more discussion to a future Committee meeting in the fall of 2018.

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

June 27, 2018 Public Board Meeting:

- 2018/2019 Annual Budget Bylaw – Action Item
- New Policy 161 – Accumulated Operating Surplus – Action Item

Items for Future Finance and Audit Committee Meetings**Public Finance and Audit Meeting:**

- Regulations 470R – Transportation Services Management – Discussion Item

September	October	November
<ul style="list-style-type: none"> - Presentation: Audited Financial Statements for the Fiscal Year - Audited Financial Statements for the Fiscal Year (<i>Action Item</i>) 	<ul style="list-style-type: none"> - Finance and Audit Committee – Review of Mandate, Purpose and Function - Financial Update at September 30th 	<ul style="list-style-type: none"> - School District No. 23 (Central Okanagan) Budget Development Principles - School District No. 23 (Central Okanagan) Budget Development Timeline
January	February	April (1st meeting)
<ul style="list-style-type: none"> - Amended Annual Budget for the Fiscal Year - Ministry Recalculation Allocation – School District No. 23 and Provincial - Financial Update at December 31st - Budget Survey development 	<ul style="list-style-type: none"> - Budget Presentation 	<ul style="list-style-type: none"> - Overview of Budget Allocation - Budget Consultation Input Received - Trustee Indemnity for the 2018/2019 Fiscal Year
April (2nd meeting)	May	June
<ul style="list-style-type: none"> - Central Okanagan School District Preliminary Budget Proposal – Superintendent’s Budget Recommendations - Financial Update at March 31st 	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - School District No. 23 (Central Okanagan) Annual Budget for the Fiscal Year - Policy 161 –Accumulated Operating Surplus

Meeting Schedule

September 19, 2018 at 4:00 pm October 17, 2018 at 4:00 pm November 21, 2018 at 4:00 pm

Questions – Please Contact:

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Julia Fraser, Chairperson