



**Central Okanagan
Public Schools**
Together We Learn

CENTRAL OKANAGAN PUBLIC SCHOOLS - BOARD COMMITTEE REPORT

Finance and Audit Committee Meeting Public Meeting

**Wednesday, May 4, 2022, 4:00 pm
School Board Office
1040 Hollywood Road S
Kelowna, BC**

Board of Education: Trustee J. Fraser, Chair
Trustee W. Broughton, Committee Member
Trustee C. Desrosiers, Committee Member
Trustee M. Baxter
Trustee N. Bowman

Staff: Delta Carmichael, Secretary-Treasurer/CFO
Val Dougans, Finance Manager
Kevin Kaardal, Superintendent of Schools/CEO
Terry Beaudry, Deputy Superintendent of Schools
Michelle DesRochers, Executive Assistant (recorder)

Partner Groups: Susan Bauhart, COTA President
Kieran Fahy, CUPE Secretary-Treasurer
Nicola Baker, COPAC Vice-President
Scott Sieben, COPVPA President
Danielle Nelson, DSC - Grade 12 at GESS
Jadyn Ringrose, DSC - Grade 12 at MBSS

**The Central Okanagan Board of Education acknowledged that this meeting was being held
the unceded, Traditional Territory of the Okanagan People.**

AGENDA

In the absence of Trustee Desrosiers, Trustee Bowman was appointed as an Acting Committee member.

May 4, 2022 Committee Agenda - approved as presented.

REPORTS/MATTERS ARISING

Finance and Audit Committee Public Meeting Report - April 20, 2022

April 20, 2022 Committee Report - received as distributed.

PUBLIC QUESTION/COMMENT PERIOD

There were no public questions/comments.

COMMITTEE MEMBERS QUERIES/COMMENTS

The COTA President queried if the Committee will review the Superintendent of Schools/CEO 2022-2023 Budget Recommendations page-by-page.

The Superintendent of Schools/CEO shared that he will provide a PowerPoint presentation and then will go through the document and answer any questions.

4:05 pm: Trustee Desrosiers joined the meeting and assumed her role as a voting Committee member.

DISCUSSION/ACTION ITEMS

Central Okanagan Public Schools Superintendent of Schools/CEO 2022-2023 Budget Recommendations

The Superintendent of Schools/CEO shared that in response to a query and subsequent follow-up from a partner group member regarding the use of the District's investment portfolio to balance the 2022/2023 budget pressure, the Secretary-Treasurer/CFO consulted with the District's external auditing partner and the Ministry of Education and Child Care.

The Secretary-Treasurer/CFO stated that the investment portfolio cannot be used to balance the 2022/2023 budget pressure for the following reasons:

- Cash is required to run the day-to-day operations of the District.
- Cash and investments are not a revenue source and are already fully appropriated (ear marked) for multiple projects, obligations (liabilities), cost sharing commitments, future land purchases, reserves (i.e., Child Care Space Project - needs \$8.2M cash).
- The District is legally obligated (have cash available) to pay all liabilities and reserves.
- The financial risk increases when there is insufficient cash or investments.

The Secretary-Treasurer/CFO shared that interest earned on the investment portfolio flows into the income statement to support the budget (revenue generating).

The Superintendent of Schools/CEO outlined the 2022/2023 budget pressure of \$3,332,956 due to the recent provincial funding announcement and presented his 2022/2023 Budget Recommendations, outlining revenue generating items, expense saving options, and other unknown factors.

The Superintendent of Schools/CEO reviewed the following 2022/2023 Summary of Recommendations to balance the budget:

Total 2022-2023 Budget Pressure (3,332,956)

DESCRIPTION	FTE	AMOUNT
REVENUE GENERATING		
Expand Int'l Education Program (30 FTE)		450,000
Additional SWIS Funds for Staffing		65,930
Increase Preschool/Afterschool/Permit Fees (5%)		30,000
TOTAL REVENUE GENERATING FUNDS		545,930
EXPENSE SAVINGS		
<u>Central Administration</u>		
District Instruction	3.5000	371,252
Rapid Test Administration		50,000
Shift Mental Health Support		150,000
Senior Discretionary		30,000
	3.5000	601,252
<u>School Administration</u>	2.0000	311,040
	2.0000	311,040
<u>Departments</u>		
Inclusive Education Staff	2.0000	96,774
Flu Shot Reconfiguration		40,000
Operations Staff	7.0000	347,269
Refresh Tech Program		250,000
	9.0000	734,043
<u>Schools</u>		
School Based Teaching Staff	7.5000	795,540
2021/2022 Unspent School Discretionary Surplus		275,000
School Discretionary Services & Supplies		70,151
	7.5000	1,140,691
TOTAL EXPENSE SAVING ITEMS		2,787,026
TOTAL NET BUDGET ADJUSTMENTS	22.0000	3,332,956

The Superintendent of Schools/CEO and the Secretary-Treasurer/CFO responded to questions, comments, and recommendations from Committee members.

Outcome:

The Finance and Audit Committee recommended to the Board of Education:

THAT: The Board of Education approve the Central Okanagan Public Schools Superintendent of Schools/CEO 2022/2023 Budget Recommendations, as attached to the Agenda, and as presented at the May 4, 2022 Finance and Audit Committee Meeting.

Financial Update - March 31, 2022

The Secretary-Treasurer/CFO explained that the Financial Update as of March 31, 2022, compares actual spending to the 2021-2022 Amended Annual Budget. As of March 31, 2022, the District has incurred approximately \$645,000 of expenses related to the COVID-19 pandemic; however, these expenses are fully funded by the provincial Restart Grant and Pandemic Response Team funding. Benefit costs are higher during the first half of the year as the 2022 annual CPP and EI contributions rates are in effect. A key financial risk is the cost of sick leave, which is estimated to be approximately \$1,000,000 over budget by June 30, 2022.

In response to a Committee member's query regarding the District's benefit reserve, the Secretary-Treasurer/CFO shared that \$1.3 million was accessed from the benefit reserve to offset costs in the current year.

Outcome:

The Finance and Audit Committee received the Financial Update as of March 31, 2022, as presented and will forward to the Board of Education as an information item.

ITEMS REQUIRING SPECIAL MENTION

The Board Chair shared that the Legislative Assembly has requested that interested parties submit a request to meet with the Select Standing Committee on Finance and Government Services. The deadline to request to participate is Friday, May 6, 2022.

RECOMMENDATIONS/REFERRALS TO THE BOARD/COORDINATING COMMITTEE/OTHER COMMITTEES

Public Board Meeting - May 11, 2022

- Central Okanagan Public Schools Superintendent of Schools/CEO 2022-2023 Budget Recommendations (*Action*)

Public Board Meeting - May 25, 2022

- Financial Update - March 31, 2022 (*Information*)

ITEMS FOR FUTURE FINANCE AND AUDIT COMMITTEE MEETINGS

May 18, 2022

- Auditor's Report to the Finance and Audit Committee – Initial Communication on Audit Planning for the Year
- Community Rental Program Fee Review
- Annual CommunityLINK Allocations
- Financial Update - International Education Program

June 15, 2022

- School District No. 23 (Central Okanagan) Annual Budget for the Fiscal Year

FUTURE FINANCE AND AUDIT COMMITTEE MEETINGS

All meetings start at 4:00 pm.

May 18, 2022, June 15, 2022

September 21, 2022, October 19, 2022, November 16, 2022

MEDIA QUESTIONS

There were no media questions.

ADJOURNMENT

The meeting adjourned at 6:06 pm.

Questions - Please Contact:

Trustee Fraser, Chair at 250-718-8613 or Julia.Fraser@sd23.bc.ca

Delta Carmichael, Secretary-Treasurer/CFO at 250-470-3216 or Delta.Carmichael@sd23.bc.ca

Julia Fraser, Chair