

SCHOOL DISTRICT No. 23 – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Legal Committee Meeting DATE: September 21, 2016
CHAIRPERSON: Trustee L. Mossman STAFF CONTACT: E. Sadlowski, Assistant Secretary-Treasurer

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

Attendees:

Board of Education:
Trustee L. Mossman (Chairperson)
Trustee R. Cacchioni (Committee Member)
Trustee C. Gorman (Committee Member)
Trustee M. Baxter

Staff:
E. Sadlowski, Assistant Secretary-Treasurer
L. Paul, Secretary-Treasurer
K. Kaardal, Superintendent of Schools/CEO
T. Beaudry, Deputy Superintendent
D. Carmichael, Finance Manager
H. Wendt, Executive Assistant (*Recorder*)

Partner Group Representation:

COTA	Susan Bauhart, President
COPAC	No representative
COPVPA	Mike Dornian, Treasurer
CUPE	Wendy Johnson, President
District Student Council	No representative

Guests: Tyler Neels, Grant Thornton LLP
Josh Widmann, Grant Thornton LLP

Agenda/Additions/Amendments/Deletions

September 21, 2016 Agenda – approved as presented.

Reports/Matters Arising

June 15, 2016 Committee Report – received as presented.

Recognition/Presentations/Delegations

1. Report to the Finance and Legal Committee – Communication of Audit Results and Audited Financial Statements Fiscal Year 2015/2016

The Chairperson welcomed Tyler Neels and Josh Widmann, Grant Thornton Public Accountants. The representatives communicated the results of the audit, noting the audit is substantially completed. The full cooperation of District staff was readily provided throughout the audit process. The audit strategy, as reported to the Finance and Legal Committee in May 2016, was followed. The representatives reviewed the status of the audit, audit results, reportable matters, Grant Thornton's client service team as well as the audit timetable which notes that the final financial statements are due electronically to the Ministry of Education by September 30, 2016.

Appendix 'A', the draft independent auditors' report was reviewed and in particular the opinion paragraph, as was Appendix 'B', the draft management representation letter. The latter has been signed by District staff.

In response to a query, the Assistant Secretary-Treasurer advised the Statement of Financial Information (SOFI) is submitted to the Ministry of Education by December 31st of each year. The Financial Statements received today form the main part of the SOFI and supplementary schedules will be added.

Outcome

The Committee agreed that the draft Statement of Financial Information (SOFI) will be presented as an information item on the Agenda for the November 23, 2016 Finance and Legal Committee Public Meeting.

The audited financial statements of School District No. 23 (Central Okanagan) were reviewed by the Grant Thornton representatives. On the Statement of Financial Position, the representatives advised the accounts payable amount contains a hold back for International Education fees. These are fees that were paid in advance of the 2016/2017 school year. The remainder of the statements were reviewed wherein it was noted that 'Other Revenue'

includes school generated funds, which are fees paid for such things as field trips and academies that are held at the school level. As well, the funds remaining at the end of the school year are rolled over to the next school year. These funds remain with the individual schools but are represented as a special purpose fund on the financial statements.

The representatives from Grant Thornton continued their review and advised there were no significant changes to accounting policies. Note 3 to the Financial Statements indicates there is an amount of more than \$7 million included in cash and cash equivalents that is the teachers' saving summer program. The Assistant Secretary-Treasurer confirmed the small amount of interest that accrues on this amount is placed into the fund. Note 20 outlines the District's contractual obligations, including that for the new school board office.

In response to a query from the COPVPA Treasurer, the Secretary-Treasurer advised the Annual Facility Grant repairs allocation is for all district buildings.

The Assistant Secretary-Treasurer noted that the Changes in Special Purpose Funds and Expense by Object schedule shows a separate column for the Education fund and Support Staff fund. The Ministry has requested that the District, in its' final Financial Statements, blend these two columns together. The District shows two columns internally as one refers to COTA staff and the other to CUPE.

In response to a query from the COTA President, the Assistant Secretary-Treasurer noted that there will be a \$2.2 million savings provincially as the government has decided to not increase Medical Services Plan fees for this year. The District's portion is 4%, or approximately \$88,000.

Discussion/Action Items

1. Audited Financial Statements Fiscal Year 2015/2016

Outcome

The Committee received the Audited Financial Statements Fiscal Year 2015/2016, and recommended that the Board of Education receive and approve the Audited Financial Statements Fiscal Year 2015/2016.

Information Items

1. Understanding Canadian Public Sector Financial Statements – June 2014

The Assistant Secretary-Treasurer advised this is provided to the Committee for information only.

1:46 pm: The representatives from Grant Thornton left the meeting.

1:46 pm: The Finance Manager left the meeting.

1:48 pm: The Finance Manager returned to the meeting.

Items Requiring Special Mention

The Superintendent of Schools/CEO commended the Secretary-Treasurer, Assistant Secretary-Treasurer and Finance Manager, and their teams, for their efforts in finalizing the District's financial statements and facilitating the year-end audit.

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

Future Public Board Meeting Action Items:

- *Audited Financial Statements Fiscal Year 2015/2016 (September 28, 2016)*

Meeting Schedule

October 19, 2016 at 6:30 pm

November 23, 2016 at 1:00 pm

Items for Future Finance and Legal Committee Meetings

- Update – 2012 and 2014 Deloitte Reports - Ministry of Education
- Update on Syrian Refugees within the District
- GAP Analysis of Auditor General's Report
- Review of Finance and Legal Committee's Mandate, Purpose and Function
- Draft Statement of Financial Information (*November 23, 2016*)

September	October	November
- Presentation: Audited Financial Statements for the Fiscal Year - Audited Financial Statements for the Fiscal Year (<i>Action Item</i>) - Finance and Legal Committee – Review of Mandate, Purpose and Function		- School District No. 23 (Central Okanagan) Budget Development Principles - School District No. 23 (Central Okanagan) Budget Development Timeline - Revenue and Expense Summary at October 31
January	February	April (1st meeting)
- Amended Annual Budget for the Fiscal Year - Ministry Recalculation Allocation – School District No. 23 and Provincial - Administrative Savings Report (June 2015)	- Revenue and Expense Summary at January 31	- Overview of Budget Allocation - Budget Consultation Input Received
April (2nd meeting)	May	June
- Central Okanagan School District Preliminary Budget Proposal – Superintendent's Budget Recommendations - Trustee Indemnity for the Fiscal Year	- Auditor's Report to the Finance Committee – Initial Communication on Audit Planning for the Year - Annual CommunityLINK Allocations - Trustee Travel Expenses - 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

Questions – Please Contact:

Trustee Lee Mossman, Chairperson
Eileen Sadlowski, Assistant Secretary-Treasurer

Phone: 250-878-3032 email: lee.mossman@sd23.bc.ca
Phone: 250-470-3224 email: eileen.sadlowski@sd23.bc.ca

Lee Mossman, Chairperson