

**MINUTES OF A MEETING OF THE FINANCE & FACILITIES COMMITTEE
TUESDAY, SEPTEMBER 10, 2013, AT THE BOARD OFFICE AT 8:30 A.M.**

Present: D. Stevenson (in the Chair); J. Kellett; R. Faris; C. Kennedy, Superintendent of Schools; K. Johnson, Assistant Secretary Treasurer; J. Leiterman, Secretary Treasurer

Stakeholder Representation: V. Brady (WVAA); S. Donahue (WVDPAC); R. Millard (WVTA)

1. Capital Project Amendment Bylaw No. 126636-02

There is no change to the total amount of the AFG for 2013/14; only the MOE's allocation of funds between capital and operating has changed, requiring the Board to adopt a revised capital project bylaw.

RECOMMENDATION: THAT Capital Project Amendment Bylaw No. 126636-02 be forwarded to the Regular Meeting September 17, 2013 for approval.

2. Financial Status at June 30, 2013

The Secretary Treasurer thanked Assistant Secretary Treasurer Johnson for her work to prepare the Audited Financial Statements.

The Secretary Treasurer reviewed the 2012/13 financial statements, noting that they are the first statements to be prepared under the new Public Sector Accounting Board standards (PSAB). Significant presentation changes under PSAB include:

- No more fund accounting; Capital, Special Purpose and Operating results are combined in the Financial Statements.
- Some amounts previously shown as liabilities on the balance sheet are now required to be shown as deferred revenue on the income statement, including special purpose funds previously recorded as trusts and the unspent portion of certain operating accounts which carry forward from year to year.
- The Preliminary Budget is now used for comparative purposes.

The Secretary Treasurer reviewed the significant differences between budgeted and actual financial results:

- Capital expenditures exceeded budget by \$633,393, due to the MOE requirement that all seismic and AFG funds now be fully expended by March 31st of each year, and to an increase in school-based expenditures of a capital nature.
- Special Purpose expenditures exceeded budget by \$2,238,933 due to the increase in capital spending, reallocation of operating accounts to special purpose accounts under PSAB, and the one-time addition of an extra quarter year of school-based expenditures in order to align year end dates for accounting purposes between the schools and the District.

Committee members: Dave Stevenson, Jane Kellett

- Operating expenditures were less than budget by \$1,520,775, due in part to PSAB adjustments, and in part to savings in expenditures.
- Savings were accomplished in three out of four operating functions: Instruction, Administration, and Transportation; Facilities ran slightly over budget due to an increased slate of summer projects.
- Operating Revenues exceeded budget by \$813,551. A reduction in the MOE operating grant due to reduced enrolment was offset by the release of holdback, and we experienced growth in the Int'l program, elementary band, summer learning and programs of choice. Returns on investment increased due to higher rates of return and the District's participation in the provincial cash management initiative. Enrollment and revenue in summer camps continued to decline.

As a result of the year's activity in operating, capital and special purpose accounts, the District required \$2.3 million less in budgeted surplus appropriation in order to balance the financial statements. The Secretary Treasurer noted that 31% of this reduction was due to one-time only savings, 35% due to the release of holdback (never budgeted for), and 34% attributable to operations that are subject to enrollment fluctuations.

She stated that while the reduced draw on surplus was a favourable result, it was important to note that there was an operating deficit of \$338,506 before surplus appropriation this year, as compared to a net contribution to surplus of \$1.2 million from operations in 2011/12.

The Secretary Treasurer noted that the trend of decreasing enrollment and increasing cost pressures is continuing into 2013/14.

3. Surplus

Opening Balance July 1, 2012	\$4,567,758
PSAB restatements	<u>264,977</u>
Adjusted opening balance	\$4,832,735
Less Fiscal 2012/13 Net Deficit	<u>(338,506)</u>
Subtotal:	\$4,494,229
Budgeted Appropriation (deficit) 2013/14:	<u>(2,871,919)</u>
Subtotal:	\$1,622,310
Less: Fiscal Prudence Contingency Fund	<u>(1,000,000)</u>
Additional Surplus Available for future years	<u>\$622,310</u>

Committee members: Dave Stevenson, Jane Kellett

The Secretary Treasurer said that the 2012/13 financial results will allow us to move forward with the programs and initiatives budgeted for 2013/14, but we will want to hold onto as much surplus as possible to address future cost pressures.

Rob Millard asked about districts submitting savings plans with respect to the support staff bargaining process. The Superintendent responded that we have been asked by government to consider where funds could be found to support a potential lift in support staff salaries, depending upon the results of the bargaining process. Guiding principles provided around such a savings plan would require that the savings be real, incremental and ongoing, and they could not affect core services. Surplus could not be used to support a salary lift. The Superintendent noted that we have not prepared nor filed a savings plan at this time as bargaining has not been concluded and an agreement has not yet been reached.

4. Adjourn

9:30 a.m.

Julia Leiterman, Secretary Treasurer

Committee members: Dave Stevenson, Jane Kellett