



FINANCE & OPERATIONS COMMITTEE MEETING
Monday, June 2, 2014 – 4:10 p.m.
Atlantic Place – 7th Floor Boardroom

1. Call to Order

The seventh regular meeting of the Finance and Operations Committee of the Newfoundland and Labrador English School Board was called to order at 4:10 p.m. on Monday, June 2, 2014.

Members Present: Nada Borden, Committee Chair
 Milton Peach, Board Chair
 Wayne Lee, Committee Member
 Newman Harris, Committee Member
 George Sheppard, Committee Member
 Guy Elliott, Committee Member

NLESD Staff Present: Darrin Pike, CEO/Director of Education
 Tony Stack, Assistant Director of Education, Operations
 Larry Blanchard, Assistant Director of Education, Finance & Business
 Administration
 Susan Clarke, Administrative Assistant (Finance & Business
 Administration/Recorder)

Special Guest: Byron Smith, CA

Regrets: John George, Committee Member
 Don Brown, Committee Member

2. Approval of Agenda

It was moved by George Sheppard, seconded by Newman Harris and carried unanimously that the agenda be adopted as presented. Carried.

3. Approval of Minutes – April 12, 2014

It was moved by Wayne Lee, seconded by Newman Harris and carried unanimously that the minutes of April 12, 2014 be adopted as presented. Carried.

4. New Business – for motion

4.1 Financial Statements – August 31, 2013

The audits of the former Eastern School District, Nova Central School District, Western School District and Labrador School District for the two month period ending August 31, 2013 have been completed. Delays were experienced due to transitional issues. Assistant Director of Education – Finance and Business Administration, Larry Blanchard, provided a general overview of the financial statements for each of the former Districts including:

- Basis of preparation – prepared in accordance with Public Sector Accounting Board (PSAB) standards.
- Non-consolidated – the financial statements are prepared on a non-consolidated basis and do not include school controlled funds, NLEF and NISEP or the Labrador Trust Fund.
- Qualification – with respect to an accrued liability for the cost of severance and sick leave, for which an offsetting account receivable was not recorded in accordance with Government policy.
- Results of operations/financial position – each predecessor school district had a balanced operating result and maintain a stable cash position with liquidity to meet the current financial obligations.
- Capital assets – a summary of capital asset additions recorded during the two month period.
- Deferred revenue – a summary of unused operating revenues deferred from the two month period that were restricted for use during the ten month period – September 2013 to June 2014.

Byron Smith provided additional explanation on the former Eastern School District's non-consolidated financial statements for the two month period ending August 31, 2013.

General discussion was held regarding the results of operations of the four predecessor districts.

Motion:

Moved by, Wayne Lee seconded by Newman Harris and carried unanimously that the Finance and Operations Committee recommend to the Board, approval of the Auditor's Report and accompanying audited financial statements of the former Eastern School District for the two month period ending August 31, 2013.

Recommendation #1:

That the Finance and Operations Committee recommend to the Board, approval of the Auditor's Report and accompanying audited financial statements of the former Eastern School District for the two month period ending August 31, 2013.

Motion:

Moved by, Guy Elliott seconded by Wayne Lee and carried unanimously that the Finance and Operations Committee recommend to the Board, approval of the Auditor's Report and accompanying audited financial statements of the former Labrador School District for the two month period ending August 31, 2013.

Recommendation #2:

That the Finance and Operations Committee recommend to the Board, approval of the Auditor's Report and accompanying audited financial statements of the former Labrador School District for the two month period ending August 31, 2013.

Motion:

Moved by, Newman Harris seconded by George Sheppard and carried unanimously that the Finance and Operations Committee recommend to the Board, approval of the Auditor's Report and accompanying audited financial statements of the former Nova Central School District for the two month period ending August 31, 2013.

Recommendation #3:

That the Finance and Operations Committee recommend to the Board, approval of the Auditor's Report and accompanying audited financial statements of the former Nova Central School District for the two month period ending August 31, 2013.

Motion:

Moved by, Wayne Lee seconded by Newman Harris and carried unanimously that the Finance and Operations Committee recommend to the Board, approval of the Auditor's Report and accompanying audited financial statements of the former Western School District for the two month period ending August 31, 2013.

Recommendation #4:

That the Finance and Operations Committee recommend to the Board, approval of the Auditor's Report and accompanying audited financial statements of the former Western School District for the two month period ending August 31, 2013.

4.2 Budget Status Update – March 31, 2014

A budget status update report for the seven month period ending March 31, 2014 was tabled by the Assistant Director of Education (Finance and Business Administration), Mr. Larry Blanchard. Mr. Blanchard provided an overview of notable points regarding the budget report tabled, including:

- Budget revenues have been updated to reflect operating grant revenues deferred from the two month period ending August 31, 2013, including deferred transportation grant.
- Deferred revenue budgeted for use during 2013-2014 has not yet been recorded pending 4th quarter operating results. A determination in this regard will be made as operating needs are addressed throughout the year.
- A \$3.2 million upward adjustment of the student assistant's budget to reflect the cost of benefits that had been excluded from the original budget in error. This adjustment does not represent allocation of any new student assistant hours.
- A \$3.2 million downward adjustment of the student transportation budget to reflect an over allocation of a twelve month value to the ten month period September-June as well as adjustments to the final transportation allocation.
- A general review of each of the categories shown in the report, noting significant balances and providing explanation regarding certain variances – none of which are material to the overall budget.

Motion:

Moved by Wayne Lee, seconded by George Sheppard and carried unanimously that the Finance and Operations Committee recommend to the Board, approval of the March 31, 2014 revised budget and status update.

Recommendation #5:

That the Finance and Operations Committee recommend to the Board, approval of the March 31, 2014 revised budget and status update as tabled at the June 2, 2014 meeting of the Finance and Operations Committee of the Board.

4.3 Video Surveillance Policy

The draft Video Surveillance Policy outlines the procedures governing the use of video/electronic security systems in and around all buildings, properties, school buses and other vehicles owned, operated or contracted by Newfoundland and Labrador English School District.

The policy supports the use of video/electronic security systems where it is deemed necessary to protect the safety and security of students, staff and visitors and to protect student and District property.

The policy and regulations have been prepared based upon consolidation of the applicable policies and procedures of the four predecessor school districts. As well, the policy was developed taking into consideration ATIPPA and school video surveillance guidelines prepared by the Office of the Information and Privacy Commissioner. The District has to justify the rationale for video surveillance being utilized within schools before approval can be granted. This does not include covert surveillance that may be requested by police for criminal operation surveillance.

Motion:

Moved by George Sheppard, seconded by Newman Harris and carried unanimously that the Finance and Operations Committee recommend to the Board, approval of the Video Surveillance Policy as tabled at the June 2, 2014 meeting of the Finance and Operations Committee of the Board.

Recommendation #6:

That the Finance and Operations Committee recommend to the Board, approval of the Video Surveillance Policy as tabled at the June 2, 2014 meeting of the Finance and Operations Committee of the Board.

4.4 School Naming – Corner Brook Junior High

A new grade 7-9 school at the renovated former Regina High School site in Corner Brook is scheduled to open in the fall of 2014 and will accommodate students from G.C. Rowe and Presentation Junior High which are slated to close.

Correspondence from the respective chairs of the G.C. Rowe and Presentation School Councils was received, requesting that the new school be named Corner Brook Intermediate.

The Joint Councils consulted the school community through a survey to which there were 791 respondents. The Councils reported that the name Corner Brook Intermediate or CBI was “consistently a preferred selection.” The Councils reached a consensus that the recommended name was reflective of the student group that will occupy the building and that it distinguished the new school from Corner Brook High School.

Motion

Moved by Wayne Lee, seconded by Guy Elliott and carried unanimously that the Finance and Operations Committee recommend to the Board, approval of the name “Corner Brook Intermediate” for the new Grade 7-9 school in Corner Brook.

Recommendation #7:

That the Finance and Operations Committee recommend to the Board, approval of the name “Corner Brook Intermediate” for the new Grade 7-9 school in Corner Brook.

New Business - discussion purposes

4.5 External Auditor Appointment – Y/E June 30, 2014

The Schools Act 1997 requires the District to submit to the Minister of Education at the end of each school year, a detailed statement of its accounts audited by a person licensed under the Public Accountancy Act. The school district attempts to provide

audited financial statements within 90 days of year end in order to accommodate Department of Education time lines.

Year end audits for the periods ending June 30, 2013 and August 31, 2013 were conducted as follows:

- Western School District – Kung Roberts
- Labrador School District – Harris Ryan
- Nova Central School District – Walters Hoffe (Coombs & Associates to August 31, 2013)
- Eastern School District – Byron Smith, Chartered Accountant

Audit services are considered professional services under the Public Tender Act, and therefore do not require a public tender be issued. However, a limited call for proposals from each of the incumbent auditors would help ensure value for money for audit services.

It was general consensus that the District issue a limited call for audit proposals from each of the incumbent auditors of the four predecessor school districts, with final appointment subject to Committee and Board approval.

4.6 Property Update

Robert Leckie School – Happy Valley Goose Bay (Closed)

The District is actively pursuing disposal of this property, and as part of this process must address the crown grant under which the property is held. The District has been working closely with the Crown Lands office within the Department of Environment and Conservation regarding treatment of this crown grant. During a May 27th meeting, Crown Lands advised they are aware of the District's intent to dispose of the property and will work diligently to respond to the District's request regarding treatment of the crown grant.

Mealy Mountain

In fall 2012 the former Labrador School Board granted approval to proceed with a third party land exchange whereby the District would exchange approximately 22 acres of land behind the school for a 22 acre parcel of land directly across the street from the school – at no cost to the District. The file has not progressed since that time as the prospective counterparty had not been in contact with the school district until March 2014.

With the file reactivated, the District has recently requested Ministerial approval to proceed with the intended land exchange, and also initiated discussions with Crown Lands regarding how best to proceed with the intended exchange, given the school property is held by virtue of a crown grant.

Recommendation

No recommendation. Update is for information purposes only.

5. Date of Next Meeting

The next meeting will be held on June 14, 2014.

6. Adjournment

It was moved by Wayne Lee, and carried unanimously to adjourn at 5:56 p.m.