



**FINANCE & OPERATIONS COMMITTEE MEETING**  
**November 28, 2019 – 12p.m.**  
**NLESD Headquarters**  
**95 Elizabeth Avenue, St. John's, NL (Skype)**

**1. Call to Order**

A meeting of the Finance and Operations Committee of the Newfoundland and Labrador English School Board was called to order at 12:03 p.m. on Thursday, November 28, 2019.

Members Present: Steve Tessier, Chair  
Jennifer Aspell, Committee Member  
Winston Carter, Committee Member  
John George, Committee Member

NLESD Staff Present: Terry Hall, CFO/ADE – Corporate Services  
Jim Sinnott, Director of Facilities and Custodial Management  
Juliah Chislett, Comptroller  
Amanda Broderick, Manager of Finance and Administration (Central)  
Susan Clarke, Administrative Assistant (Corporate Services)

Also Present: Katie Hoskins, External Auditor Ernst & Young (First two items)  
Andrew St. George, External Auditor Ernst & Young (First two items)

Regrets: Goronwy Price, Board Chair  
Peter Whittle, Committee Member  
Tom Kendell, Committee Member  
Wayne Lee, Committee Member

**2. Approval of Agenda**

It was moved by John George, seconded by Jennifer Aspell that the agenda be adopted as presented. *Carried.*

**3. Approval of Minutes – October 16, 2019**

It was moved by Jennifer Aspell, seconded by Winston Carter that the minutes of October 16, 2019 be adopted as presented. *Carried.*

Introduction by Terry Hall, CFO/ADE – Corporate Services of external auditors Katie Hoskins and Andrew St. George to the Finance and Operations Committee meeting. Welcome extended to Julia Chislett, District Comptroller and Amanda Broderick, Manager of Finance and Administration (Central).

**4. New Business (Motion)**

**4.1 Audited Financial Statements – NLESD year ended June 30, 2019**

Andrew St. George and Katie Hoskins, external auditors from Ernst and Young provided a presentation of the Audited Financial Statements for the year ended June 30, 2019. They also outlined pertinent information from the Audit Results report and responded to any question posed by Committee members.

The audit of the Newfoundland and Labrador English School District “the District” for the year ended June 30, 2019 is substantially complete. Highlights of the District’s financial statements include:

1. These non-consolidated financial statements are prepared based on the financial information of the District for the year ended June 30, 2019. These financial statements are prepared in accordance with the Public Sector Handbook, which constitutes generally accepted accounting principles as recommended by the Public Sector Accounting Board.
2. Consolidation – the financial statements are prepared on a non-consolidated basis and do not include the results of operations for school controlled funds, the Newfoundland and Labrador Education Foundation, Inc. and the Newfoundland and Labrador International Student Education, Inc. The financial statements do include the ancillary funding provided by Nunatsiavut Government for the five Nunatsiavut coastal communities in Labrador.
3. Cash position – the District continues to maintain a stable cash position.
4. Tangible capital assets – during the year ended June 30, 2019, there was approximately \$26 million in tangible capital asset additions which include investments in new schools in Paradise, and Coley’s Point. Also included are investments in school extensions and renovations such as at Mobile Central High, St. Peter’s Primary, Gander Academy and St. Paul’s Junior High.
5. Restricted equity – a portion of the District’s equity is restricted to be used for a future purpose. The balance of restricted equity at June 30, 2019 is \$3,281,931 which increased from \$1,370,659 at June 30, 2018 by the gains on sales of school buildings throughout the 2018-2019 fiscal year.
6. New Auditor – the District engaged the audit firm Ernst and Young to

perform its annual audit for a 5 year term, beginning with the fiscal year ending June 30, 2019.

7. Future Consolidation – the District intends to present audited consolidated financial statements for the first time for the fiscal year ending June 30, 2020 and for each fiscal year thereafter. The consolidation will include the District, the Newfoundland and Labrador Education Foundation, Inc., the Newfoundland and Labrador International Student Education, Inc., the ancillary funding provided by the Nunatsiavut Government for the five Nunatsiavut coastal communities in Labrador as well as all school controlled funds.

There was some discussion regarding item 5, restricted equity to clarify the balance increase and why it is considered to be restricted equity.

There was a brief discussion requesting input from the external auditor on their views for the anticipated new software that the District is currently pursuing and how they feel it would impact the District's financial operations.

Discussion on whether or not the District partakes in online banking. Clarification was provided to indicate that the District does not engage in daily or regular e-transfers but does use a highly secure banking portal when required with many security features in place.

**Motion:**

**Moved by John George, seconded by Jennifer Aspell that the Finance and Operations Committee recommend to the Board, approval of the Audited Financial Statements for the year ended June 30, 2019. Carried.**

**4.2 Audited Financial Statements – Nunatsiavut Government year ended March 31, 2019**

Amanda Broderick, Manager of Finance and Administration (Central) provided the committee with a detailed overview of the Nunatsiavut Government Fiscal Financing Agreement and Financial Statements for the year ended March 31, 2019.

The audit of the Fiscal Financing Agreement – Nunatsiavut Government Funding for the year ended March 31, 2019 has been completed.

1. The financial statements for the Nunatsiavut Government Fiscal Funding Agreement are prepared based on revenue and expense financial information recorded by the Newfoundland and Labrador English School District related to this agreement for the year ended March 31, 2019. The

format and presentation of the financial statements is per the requirement of the Nunatsiavut Government to show expenditures by community and line object.

2. Consolidation – the financial statements are prepared on a non-consolidated basis and only include the ancillary funding provided by the Nunatsiavut Government through the Fiscal Financing Agreement to the District to enhance student programming in the five (5) Nunatsiavut coastal communities.
3. Surplus/Deficit – the Fiscal Financing Agreement operates on a balanced basis. Any unexpended funds are treated as deferred revenue and brought into income in the next year and form part of the revenue source for that year. Any accounts receivable are treated as revenue in the year incurred and received in the following year as part of the grant payments.

**Motion:**

**Moved by Winston Carter, seconded by Jennifer Aspell that the Finance and Operations Committee recommend to the Board, approval of the Auditor’s Report and the accompanying Audited Financial Statements of the Fiscal Financing Agreement (Nunatsiavut) for the year ended March 31, 2019. Carried.**

**4.3 Quarterly Budget Update – Period ended September 30, 2019**

Tabled by Terry Hall, CFO/ADE – Corporate Services.

**Budget Highlights**

**Total Budget**

Original Budget (total)	\$781.96 Million
Revised Budget (total)	782.24 Million
Budget increase	0.28 Million

**Net of block funding from DEECD**

Revised Budget	86.62 Million
Revenue earned to September 30, 2019 (net)	21.62 Million
Incurred/encumbered to September 30, 2019 (net)	18.12 Million
% Budget remaining (net)	79%

Expenses are expected to remain within budget for the 2019-20 fiscal year, although certain expenditures may exceed the approved budget allocation and budget transfers within these categories may be required.

### **Budget Adjustments**

The total budget has been increased by \$285,300 as follows:

1. An increase of \$111,300 relating to the approved Board Owned transportation budget. Additional funding included amounts required to meet scheduled payment obligations under transportation bus loans.
2. An increase of \$174,000 in the projected budget for school utility costs to correct calculation errors in the original approved budget.

The attached schedules summarize the operating results compared to the revised budget for the period ended September 30, 2019

#### **Motion:**

**Moved by John George, seconded by Jennifer Aspell that the Finance and Operations Committee recommend to the Board, approval of the revised Quarterly Budget Status Update for the period ended September 30, 2019. Carried.**

#### **4.4 Request for Quit Claim RCEC – Black Tickle**

Tabled by Jim Sinnott, Director of Facilities and Custodial Management.

Residential property that is located on school property in Black Tickle was previously used to house teachers. The residence has not been used for three years and is currently in need of major repairs.

The District has no future use for this property and is not undertaking the necessary major repairs that are required.

This property is in the name of the Roman Catholic Episcopal Church. RCEC would like to sell the property and has a potential buyer in the Town of Black Tickle.

#### **Motion:**

**Moved by Winston Carter, seconded by John George that the Finance and Operations Committee recommend to the Board, approval for the Newfoundland and Labrador English School District to provide a Quit Claim to RCEC for the residential property located in Black Tickle, subject to Ministerial approval. Carried.**

**4.5 Request to purchase land by Douglas Blake – Northwest River**

Tabled by Terry Hall, CFO/ADE – Corporate Services.

The District received a request from Douglas Blake of Northwest River to purchase a piece of District property located in the Town of Northwest River.

The land in question is no longer required by the District (1/2km away from existing school).

Mr. Blake would like to purchase the land for a garden and storage space. A survey has been prepared and submitted with an offer to purchase .081 hectares of land for \$10,000.

**Motion:**

**Moved by Winston Carter, seconded by John George that the Finance and Operations Committee recommend to the Board, approval for the Newfoundland and Labrador English School District to sell .081 hectares of land located in the Town of Northwest River to Mr. Douglas Blake for the sum of \$10,000, subject to Ministerial approval. *Carried.***

**5. Date of Next Meeting**

The next meeting will be held at the call of the Chair.

**6. Adjournment**

Motion to adjourn by Winston Carter at 1:06 p.m. *Carried.*