



# MINUTES OF THE FINANCE COMMITTEE

Monday, November 21, 2016

Director's Meeting Room  
5:00 p.m.

Present:

Trustee Committee Members: Kevin Maves (Committee Chair), Sue Barnett,  
Lora Campbell, Jonathan Fast

Trustees: Diane Chase, Dale Robinson

Administration: Stacy Veld, Superintendent of Business Services  
Bob Dunn, Manager of Projects & Maintenance  
Miranda Schaubel, Senior Financial Analyst

Recording Secretary: Brenda Buckingham, Business Assistant

## **CALL TO ORDER**

Chair Kevin Maves called the meeting to order at 5:00 p.m. Miranda Schaubel, Senior Financial Analyst for the DSBN, was introduced and welcomed to the meeting. Miranda attended the meeting for Chief Financial Officer Rick Werezak and Manager of Financial Services Nicky Westlake.

## **APPROVAL OF THE AGENDA**

Following review of the agenda, it was

Moved by: Jonathan Fast

Seconded by: Lora Campbell

**“That the agenda be approved as presented.”**

CARRIED UNANIMOUSLY

## **APPROVAL OF THE MINUTES OF THE SEPTEMBER 21, 2016, MEETING**

Following a review of September 21, 2016, Finance Committee meeting, it was

Moved by: Lora Campbell

Seconded by: Jonathan Fast

**“That the minutes of the September 21, 2016, Finance Committee meeting be approved as presented.”**

CARRIED UNANIMOUSLY

## **ANNUAL REPORT ON BOARD INVESTMENTS**

As required by Board Policy B-04 *Investment of Board Funds*, Superintendent of Business Services Stacy Veld presented the Annual Report on Board Investments, as prepared by Chief Financial Officer Rick Werezak. Superintendent Veld explained that this is the first year that the DSBN has invested funds and this report, outlining the individual investments and their performance, will now be part of the year-end financial reporting process.

Provided to the Committee was a schedule summarizing the individual investments held at the end of the fiscal year, being August 31, 2016, with associated investment details. Superintendent Veld confirmed that this portfolio is invested 100% in the Corporate Investment category, all investments are within the maximum individual organization limit allowed by the Policy, and that, in her opinion, all of the investments were made in accordance with the Policy and the objectives set out therein.

The investment portfolio is generating an annual average return of 2.07%, being an increase of 88% over the interest the funds would have earned on the daily cash balances through the DSBN's financial service provider, CIBC.

During discussion, Superintendent Veld confirmed that the \$40 million invested revenue represents various sources of funding including accumulated surplus and grants. The funds are invested in GICs with terms that were staggered initially so that one GIC matures every year. Going forward, the GIC term will be five years. This provides the ability, annually, to either use or reinvest one-fifth of the full investment amount. The interest generated is not rolled-over with the principal. Since the funds are invested in GICs, the monies can be easily accessed should an unforeseen need arise.

The Committee acknowledged that the DSBN has been very financially diligent and maintains an intense cash management policy. That, along with stable budget practices and the consolidation of schools, has resulted in the DSBN maintaining a healthy financial position.

Moved by: Lora Campbell  
Seconded by: Sue Barnett

**“That the Annual Report on Board Investments, as at August 31, 2016, be received.”**

CARRIED UNANIMOUSLY

## **SCHEDULE OF ACCUMULATED SURPLUS**

The Committee received the Schedule of Accumulated Surplus Report as part of the DSBN's year-end Financial Statement process. Superintendent of Business Services Stacy Veld reported that the changes in the surplus funds are reflected in the 2015-16 audited Financial Statements which will be presented to the Audit Committee on November 21 and to the full Board on November 22, for approval. Superintendent Veld noted that the strong financial position of the DSBN has been established through a continued proficient budget process and ongoing accountability measures.

Superintendent Veld reviewed the Schedule of Accumulated Surplus which provides the September 1, 2015, accumulated surplus account balances, transfers to and from each fund during the 2015-16 fiscal year, and the resulting balances at August 31, 2016. For the information of the Committee members, a brief description of each fund was also provided.

Superintendent Veld explained that the three interim financial reports provided to the Board of Trustees during 2015-16 provided periodic updates on the changes in enrolment projections, grants and expenditures, and the projected year-end financial position, based on actuals at various points in time, being October 31<sup>st</sup>, February 28<sup>th</sup> and April 30<sup>th</sup>. This final report on accumulated surplus does not vary significantly from what was identified to the Committee in June. At that time, it was projected that there

would be an operation surplus as a result of an increase in enrolment of 0.03% over projections. There continues to be cost pressures in supply teacher expenses related to illness, and in operations and maintenance due to the loss of top-up funding. However, these have been mitigated by efficiencies in operational expenses and continued underspending in board administration.

The Accumulated Surplus is comprised of internally appropriated and unappropriated funds. Internally appropriated funds are those set aside for specific Ministry and DSBN initiatives allowing for a more stable budget and the avoidance of fluctuations based on large planned expenditures. A portion of the operating surplus generated in the 2015-16 year has been transferred to the Network Infrastructure accumulated reserve to fund the second year (2017-18) of the WiFi refresh that the Board of Trustees approved in the 2016-17 budget. Changes from the third interim report to the year-end include an increase in revenue of \$847,000 due to Grants for Student Needs changes, as well as insurance and energy rebates.

The year-end position has resulted in the use of approximately \$1.9 Million less of General Operating Accumulated Surplus than had been projected, being \$1,784,621 as compared to the \$3,688,155 budgeted.

Moved by: Lora Campbell  
Seconded by: Sue Barnett

**“That the Schedule of Accumulated Surplus for the year ended August 31, 2016,  
be approved.”**

CARRIED UNANIMOUSLY

### **NEXT MEETING**

The next meeting is scheduled for January 18, 2017, at 6:00 p.m.

### **ADJOURNMENT**

**The meeting adjourned at 5:30 p.m.**

**Kevin Maves  
Chair**