Finance Committee Minutes

Monday, April 23, 2012, 1:30 p.m.
Board Room, Administration Office

Present: M. Snelling (Chairperson) P. Bartlette, M. Sefton, L. Ross (alternate) Dr. D. Michaels, K. Zabowski.
Regrets: D. Labossiere.

BRANDON SCHOOL DIVISION
"Accepting the Challenge"

1. CALL TO ORDER:

The Finance Committee Meeting was called to order at 1:30 p.m. by the Committee Chairperson, Trustee Snelling.

2. APPROVAL OF AGENDA

The Secretary-Treasurer noted the monthly reports for March were not included in the agenda. The Secretary-Treasurer's Department was in the process of preparing documentation needed for the March 31st Audit. He confirmed the auditors would be attending on May 7th. The final reports would be brought to the Committee when they have been completed. The Finance Committee Agenda was approved.

3. COMMITTEE GOVERNANCE GOAL ITEMS

NIL

4. OTHER COMMITTEE GOVERNANCE GOAL ITEMS

A) Confirm Payments of Accounts (March)

The Secretary-Treasurer spoke to the reports answering Trustee questions for clarification. The payments of account for March were accepted as circulated.

B) Review Monthly Reports (March)

The Secretary-Treasurer circulated an analysis of the Accumulated Surplus as of March 30, 2012, together with a Summary of Projected Over/Under Expenditures (Appendix "A"). Mr. Zabowski reviewed the documents in detail as well as answered questions for clarification. Discussions were held regarding the projected over expenditure to address Policy 5026. It was agreed this item would be labeled to better reflect the expenses allocated to this line. Further discussions were held regarding the minimum level of unappropriated surplus; and whether or not a minimum dollar figure should be maintained or a percentage be maintained. It was agreed the Secretary-Treasurer would present different percentage scenarios to the Committee at the next regular meeting before the Committee brings forth a recommendation to the Board of Trustees.

5. OPERATIONS INFORMATION

- The Secretary-Treasurer provided a verbal tender update, noting a change in Government Policy meant that only those tenders over $50,000 required Board approval. He confirmed to date all tenders for supplies had been under $50,000. Discussions were held regarding the expiry dates for the janitorial contracts.

- Trustee Bartlette requested clarification regarding the Minutes of March 19, 2012. It was confirmed information regarding dollar amounts, the numbers of positions and specific areas/programs which have been approved in previous budgets would be included in the budget sustainability requests for the next budget.

6. NEXT REGULAR MEETING: Monday, May 14, 2012, 1:00 p.m., Board Room

The meeting adjourned at 2:11 p.m.

Respectfully submitted,

M. Snelling (Chairperson)	P. Bartlette
M. Sefton	L. Ross (Alternate)

Appendix A

BRANDON SCHOOL DIVISION
ACCUMULATED SURPLUS ANALYSIS
As of March 30, 2012

	Motion		
ACCUMULATED SURPLUS AS AT July 1, 2010			$ 2,523,740
ADD: Surplus (Deficit) on 2010-2011 Operations			1,037,620
Accumulated Surplus - June 30, 2011			3,561,360
LESS: Designated & Committed			
a) Insurance Aggregate Retention (Self-Insurance)	155/2006	$ 45,000	
b) School Budgets carry forward	Policy	123,600	
		168,600	
LESS: Designated but not Committed			
a) Vocational Equipment Replacement		50,000	
b) Major Renovations		40,894	
c) Administration Computers		9,924	
d) Transportation Fuel Infrastructure	156/2007	54,880	
e) 2011-2012 Negotiation Costs	67/2011	218,000	
f) Crocus Plains - parking/drop-off	26/2011	100,000	
g) Linden Lanes - School of Choice	96/2011	90,000	
h) Computer Replacement	17/2002	180,110	(912,408)
UNALLOCATED SURPLUS - JUNE 30, 2011			**2,648,952**
LESS: Sick Leave Accrual			(250,000)
LESS: Projected over expenditure 2011/12		(682,166)	
ADD: Designated from above (e, f, g) in over expenditures		408,000	(274,166)
Projected Unallocated Surplus - June 30, 2012			$ 2,124,786

In previous financial reports to the Board of Trustees we have reported the auditors opinion that the Division should carry an unappropriated surplus of at least 5% of the annual budgeted expenditures, or approximately $3,600,000. An unappropriated accumulated surplus of $2,124,786, or 2.9%, is a low operating contingency fund in relation to our total budget and the uncertainties characteristic of the current budgeting process. The Secretary-Treasurer's Department continues to recommend that the Board of Trustees endeavor to maintain the unappropriated accumulated surplus balance.

Furthermore, we have recommended, and the Board of Trustees have agreed, that the unappropriated surplus not be allowed through budget deliberations to fall below a minimum level of $1,000,000 in order to be in a management position to address unexpected significant variances from budget.

Summary of Projected Over/Under Expenditures
2011/12
As of March 30, 2012

Motion	Approved Over Expenditures			
67/2011	2011/2012 negotiation costs		218,000.00	
165/2011	VP at NE		31,800.00	
158/2011	Teacher at NE & CP, Support for EAL	334,400.00		
	Increase in grant revenue for above	(326,000.00)	8,400.00	
96/2011	Teacher at LL		90,000.00	
80/2011	Accountant		38,450.16	
171/2011	2nd floor Neelin Off-Campus		25,000.00	
153/2011	Bus Transport to North End Community Centre		25,000.00	
26/2011	Paving at CP		100,000.00	
169/2011	Ameresco		38,000.00	
18/2012	Crocus Plains Fieldhouse		20,000.00	
20/2012	Meadows playground relocation		5,900.00	
				600,550.16

Unapproved Over/Under Expenditures		
Salaries & Benefits	(28,938.97)	
HR Investigation - Policy 5026	250,000.00	
Heating System Maintenance/Boiler	72,231.33	
IT Projected overage (net of cabling reserve)	38,027.84	
Hydro under expenditure (gas, hydro)	(275,084.08)	
Other various over expenditures	25,379.69	81,615.81
Total Projected over expenditure		682,165.97