



## FINANCE & OPERATIONS COMMITTEE OF THE WHOLE

MONDAY, SEPTEMBER 16, 2019  
10:30 to noon  
The Forum - PCTC

*Mandate:*

*To discuss and make recommendations to the board on financial matters and matters pertaining to facilities, maintenance, technology and transportation.*

### **AGENDA**

**Facilitator:** Trustee TBD at first meeting

1. **ACKNOWLEDGEMENT OF TRADITIONAL TERRITORIES**
2. **PROJECT UPDATES** (Chris/John)
3. **POWERSCHOOL UPDATE** (Ron/Ryan)
4. **PRELIMINARY ENROLMENT** (Ron/Gillian) attachment
5. **18/19 FINANCIAL STATEMENTS** (Ron/Ryan)
  - **Summary** attachment
  - **Financial Statement Discussion & Analysis** attachment
6. **LOCAL EDUCATION AGREEMENT (LEA) WORK** (Ron)
7. **FIRST NATIONS TRANSPORTATION FUNDS** (Ron) attachment
8. **BALLENAS TRACK PLANNING UPDATE AND STEERING COMMITTEE TERMS OF REFERENCE** (Keven) attachment
9. **NEXT MEETING DATE(S):**
  - Tuesday, October 15 at 10:30; PCTC Forum
10. **ADJOURNMENT**



School District No. 69 - Qualicum  
 Preliminary Enrollment Summary  
 (as of September 12/19)

School Based:	ACTUAL													BUDGET													ACTUAL (Sept 12)														
	18/19 Enrollment (Actual)						19/20 Enrollment for Budget						19/20 Enrollment for Staffing						18/19 Enrollment (Actual)						19/20 Enrollment for Budget						19/20 Enrollment for Staffing										
	Total	ISP	FTE	KF	1	2	3	4	5	6	7	8	9	10	11	12	Total	ISP	FTE	KF	1	2	3	4	5	6	7	8	9	10	11	12	Total	ISP	FTE						
Ballenas	753	101	827.38													731	100	792.0																	823	94	798.0				
FI	90															86																		0							
Qualicum	585	71	590.31													604	75	586.0																	640	78	621.0				
PASS/Woodwinds Alt	113		113.00													107		115.0																		109		110.0			
District H/B	1541	172	1530.69	0	0	1	0	2	3	0	1	304	302	268	333	314	1528	175	1493.0	0	0	0	0	3	0	1	1	5	8	15	22	54	109	172		1529.00					
Arrowview	286		286.00	29	30	37	47	31	25	58	23					280	6	280.0																		302		302.00			
Bowser	193		193.00	21	26	17	16	30	24	33	24					191		191.0																			191		191.00		
Errington	302		302.00	36	38	29	30	44	31	34	56					298		298.0																				305		305.00	
False Bay	28		28.00	1	2	5	5	3	5	5	1					27		27.0																				24		24.00	
Nanoose	285	3	285.00	46	44	38	47	35	38	32	39					319		319.0																				301		301.00	
Springwood	456	2	456.00	46	57	50	52	47	67	61	64					444		444.0																				472		472.00	
Qualicum	387	1	387.00	37	36	46	41	41	63	64	61					389		389.0																				384		384.00	
Oceanside	125	1	473.00	15	13	10	17	21	10	17	23					126		495.0																					384		384.00
FI	348			52	56	61	48	38	41	40	33					369																						473		473.00	
School Based	2410	7	2410.00	283	302	293	303	290	304	344	324	0	0	0	0	2443	6	2443.0	280	306	312	306	280	305	336	327	0	0	0	0	0	0	2452	9	2452.00						
School Based	3951	179	3940.69	283	302	294	303	292	307	344	325	304	302	268	333	314	3971	181	3936.0	280	306	312	306	283	305	337	328	293	315	282	347	330	4024	181	3981.00						
Continuing Ed	2															10	7	2.0																				0.25			
CEAP	491	4	157.06													425		160.0																				150.00			
Total	4444	183	4098.00													4406	188	4098.0																				4518	181	4131.25	

SCHOOL DISTRICT NO. 69 (QUALICUM)  
2019-2020 Financial Summary

2019-09-10

	2017/18			2018/19		
	Annual Budget	Amended Budget	Actual	Annual Budget	Amended Budget	Actual
<b>REVENUE</b>						
<b>PROVINCIAL GRANTS</b>						
Operating Grant	39,636,644	40,270,810	41,060,809	41,076,227	41,210,020	41,437,983
Other MOE Grants-Admin/Transp funds	623,604	623,604		426,341	426,341	426,341
Other MOE Grants-Additional grant						
Other MOE Grants-Ed Guarantee			4,618			
Other MOE Grants-Pay Equity	936,176	936,176	936,176	936,176	936,176	936,176
Other MOE Grants-Misc	60,000	60,000	88,685	60,000	60,000	163,666
<b>TOTAL MINISTRY OF ED GRANTS</b>	<b>41,256,424</b>	<b>41,890,590</b>	<b>42,090,288</b>	<b>42,498,744</b>	<b>42,632,537</b>	<b>42,964,166</b>
<b>OTHER REVENUES</b>						
Other Provincial Revenues	101,450	101,450	140,779	101,450	101,450	169,625
Offshore Tuition	3,500,000	3,900,000	3,952,621	3,900,000	4,100,000	4,005,703
Miscellaneous other	135,000	135,000	149,497	150,000	150,000	159,387
Rental and Leases	450,000	450,000	627,262	600,000	650,000	699,144
Investment Income	125,000	125,000	191,037	175,000	300,000	287,405
<b>TOTAL OTHER REVENUE</b>	<b>4,311,450</b>	<b>4,711,450</b>	<b>5,061,196</b>	<b>4,926,450</b>	<b>5,301,450</b>	<b>5,321,264</b>
<b>TOTAL REVENUES</b>	<b>45,567,874</b>	<b>46,602,040</b>	<b>47,151,484</b>	<b>47,425,194</b>	<b>47,933,987</b>	<b>48,285,430</b>
<b>EXPENDITURES</b>						
<b>SALARIES AND BENEFITS</b>						
Teachers	17,844,554	17,861,732	17,548,271	18,292,873	18,033,301	18,349,632
Principals and Vice Principals	2,698,685	2,721,611	2,752,423	2,773,721	2,982,403	2,979,831
Educational Assistants	3,377,630	3,397,323	3,034,138	3,437,868	3,594,542	3,256,262
Support Staff	4,612,380	4,700,989	4,671,567	4,744,560	4,836,586	4,732,464
Other Professionals	1,370,496	1,396,784	1,446,325	1,584,275	1,630,241	1,713,084
Substitutes	1,294,281	1,393,576	1,638,698	1,403,867	1,386,855	1,812,702
Benefits	8,292,708	8,369,427	7,981,178	8,613,031	8,654,667	8,529,179
<b>TOTAL SALARIES AND BENEFITS</b>	<b>39,490,734</b>	<b>39,841,442</b>	<b>39,072,600</b>	<b>40,850,195</b>	<b>41,118,595</b>	<b>41,373,154</b>
Benefits as a % of Total Salaries	26.6%	26.6%	25.7%	26.7%	26.7%	26.0%
<b>SUPPLIES AND SERVICES</b>						
Services	2,595,558	2,898,058	3,195,774	2,846,330	2,966,330	3,183,414
Training and Travel	472,338	472,338	534,557	549,085	549,085	503,771
Rental and Leases	5,000	5,000	4,407	5,000	5,000	10,553
Dues and Fees	50,450	50,450	69,944	71,000	71,000	74,419
Insurance	174,000	174,000	134,173	164,000	164,000	149,560
Supplies	1,700,702	1,800,702	1,756,799	1,797,652	1,958,504	2,140,818
Utilities	991,500	991,500	941,203	1,016,000	1,016,000	898,395
Capital Equipment	368,550	368,550	275,366	418,550	418,550	100,677
<b>TOTAL SUPPLIES AND SERVICES</b>	<b>6,358,098</b>	<b>6,760,598</b>	<b>6,912,223</b>	<b>6,867,617</b>	<b>7,148,469</b>	<b>7,061,607</b>
<b>TOTAL EXPENDITURES</b>	<b>45,848,832</b>	<b>46,602,040</b>	<b>45,984,823</b>	<b>47,717,812</b>	<b>48,267,064</b>	<b>48,434,761</b>
<b>NET REVENUE (EXPENDITURE)</b>	<b>-280,958</b>	<b>0</b>	<b>1,166,661</b>	<b>-292,618</b>	<b>-333,077</b>	<b>-149,331</b>
Budgeted Use of Surplus	280,958	0		292,618	333,077	
<b>Surplus (Deficit), for the Year</b>	<b>0</b>	<b>0</b>	<b>1,166,661</b>	<b>0</b>	<b>0</b>	<b>-149,331</b>

SCHOOL DISTRICT NO. 69 (QUALICUM)  
2019-2020 Financial Summary

2019-09-10

	2017/18			2018/19		
	Annual Budget	Amended Budget	Actual	Annual Budget	Amended Budget	Actual
<b>INSTRUCTION</b>						
Regular Instruction	21,105,099	21,024,264	21,207,997	21,579,740	21,573,536	21,976,119
Career Programs	702,338	733,108	789,942	763,380	725,589	839,704
Library Services	822,951	809,678	817,880	828,405	1,097,100	1,097,285
Counselling	581,648	986,822	985,686	1,004,258	949,346	899,872
Special Education	6,914,231	6,897,994	6,247,545	6,997,688	6,900,979	6,760,634
English as a Second Language	176,221	73,087	75,050	74,346	77,193	79,271
Aboriginal Education	542,948	579,590	579,590	590,142	569,848	565,872
School Administration	3,415,257	3,407,391	3,403,209	3,467,269	3,743,212	3,680,377
Continuing Education	27,289	0	0	0	0	0
Off Shore Students	2,737,004	2,992,230	2,869,387	3,010,777	2,977,228	2,977,106
Other	41,738	41,855	42,445	43,027	46,765	44,577
<b>Function 1 - Instruction</b>	<b>37,066,724</b>	<b>37,546,019</b>	<b>37,018,731</b>	<b>38,359,032</b>	<b>38,660,796</b>	<b>38,920,817</b>
<b>DISTRICT ADMINISTRATION</b>						
Educational Administration	517,281	520,015	526,267	570,016	584,950	689,033
School District Governance	178,868	179,706	173,419	234,706	243,843	231,806
Business Administration	1,185,815	1,198,037	1,208,700	1,326,937	1,469,458	1,419,262
<b>Function 4 - District Administration</b>	<b>1,881,964</b>	<b>1,897,758</b>	<b>1,908,386</b>	<b>2,131,659</b>	<b>2,298,251</b>	<b>2,340,101</b>
<b>OPERATIONS AND MAINTENANCE</b>						
Operations and Maintenance Admin	502,580	511,531	564,099	513,975	537,714	604,040
Maintenance Operations	2,925,980	3,142,488	3,335,701	3,188,881	3,219,715	3,533,359
Maintenance of Grounds	287,463	286,163	263,965	290,689	290,689	300,735
Utilities	1,141,500	1,141,500	1,042,919	1,136,000	1,136,000	1,026,703
Capital Equipment	368,550	368,550	275,366	418,550	418,550	100,677
<b>Function 5 - Operations and Maint</b>	<b>5,226,073</b>	<b>5,450,232</b>	<b>5,482,050</b>	<b>5,548,095</b>	<b>5,602,668</b>	<b>5,565,514</b>
<b>TRANSPORTATION AND HOUSING</b>						
Transportation and Housing Admin	149,792	152,746	107,511	151,791	157,870	135,375
Student Transportation	1,500,279	1,531,285	1,456,595	1,509,236	1,529,479	1,465,154
Housing	24,000	24,000	11,550	18,000	18,000	7,800
<b>Function 7 - Transportation and Housing</b>	<b>1,674,071</b>	<b>1,708,031</b>	<b>1,575,656</b>	<b>1,679,027</b>	<b>1,705,349</b>	<b>1,608,329</b>
<b>TOTAL FUNCTION 1-7</b>	<b>45,848,832</b>	<b>46,602,040</b>	<b>45,984,823</b>	<b>47,717,813</b>	<b>48,267,064</b>	<b>48,434,761</b>
<b>Special Purpose Fund (SPF) Budget</b>						
Annual Facility Grant	199,346	199,346	199,346	199,346	199,346	199,346
Learning Improvement Fund	158,866	158,866	158,866	159,201	159,201	159,201
Priority Measures Fund		0	0	0		30,000
Classroom Enhancement Fund (incl. overhead)	1,768,896	2,913,080	2,898,489	3,509,489	3,556,739	3,541,764
School Generated Funds		1,500,000	1,347,159	1,500,000	1,500,000	1,308,049
Strong Start	96,000	96,000	96,000	96,000	96,000	96,000
Ready, Set, Learn	19,600	19,600	19,600	19,600	19,600	19,600
French Funds	101,323	101,323	101,323	101,323	101,323	124,427
Community Link	368,340	368,340	368,340	372,025	372,025	372,025
<b>Special Purpose Funds-Total Expenses</b>	<b>2,712,371</b>	<b>5,356,555</b>	<b>5,189,123</b>	<b>5,956,984</b>	<b>6,004,234</b>	<b>5,850,412</b>

**School District No. 69 (Qualicum)**  
**Financial Statement Discussion & Analysis**  
**For the Year Ended June 30, 2019**

The following is a discussion and analysis of the Qualicum School District's financial performance for the fiscal year ended June 30, 2019. This report is a summary of the district's financial activities based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the prior year and budget. This report should be read in conjunction with the School District's financial statements.

**OVERVIEW OF THE SCHOOL DISTRICT**

The Qualicum School District serves more than 4,100 student FTE in: 11 school sites (8 elementary schools, 2 secondary schools and 1 alternate education school), Family Place, Collaborative Education Alternate Program, Indigenous Education Program and the Qualicum International Student Program.

The Board completed their Strategic Plan for 2019 to 2023 which guides the Board of Education and its employees and partners in delivering educational programs through the period 2018/19 to 2022/23. The Plan identified the following Strategic Priorities:

- Increasing the engagement of our learners by providing students with Student Centered Learning opportunities
- Ensuring that the structures that shape and support learning include Quality Teaching and Leadership and
- Responding to the diverse social/emotional needs of our learners by providing more Social/Emotional Learning opportunities

**UNDERSTANDING SCHOOL DISTRICT FINANCIAL PERFORMANCE**

Annual surplus and accumulated surplus<sup>1</sup> are key financial statement performance indicators; however, interpreting the meaning of these figures in BC school districts is complicated by the use of fund accounting and deferral accounting. The use of fund accounting means the financial statements of school districts are a consolidation of three separate funds (operating, special purpose and capital), and each of these funds differs with respect to the methods of accounting used and the legislative and other constraints on budgeting and financial results. This means financial performance can only be fully understood by reviewing each fund separately. Financial

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<sup>1</sup> Annual surplus is the extent to which annual revenues exceed expenses. If annual expenses exceed revenues the result is referred to as an annual deficit. An accumulated surplus position is the extent to which revenues from all prior years have exceeded expenses from all previous years. An accumulated deficit position occurs when expenses from all previous years exceed revenues from all previous years. When an accumulated deficit occurs, it means future revenues are needed to pay for past expenditures.

performance for each fund is reported in the supplementary schedules that follow the notes to the financial statements.

<p><b>Operating Fund</b></p> <p>2019 Revenues: \$48.3 million (2018-47.1M)</p>	<p>Annual program revenues and expenditures are reported within the operating fund and special purpose fund (see below). Annual and accumulated surplus within the operating fund are important indicators of financial performance and financial health for school districts. This is because school districts are not permitted to budget for or incur an <u>accumulated deficit</u> position. This means when a school district has accumulated operating surplus available it can be used to budget for future expenditures and to reduce financial risk associated with unforeseen expenditures.</p>
<p><b>Special Purpose Fund</b></p> <p>2019 Revenues: \$5.85 million (2018-5.2M)</p>	<p>The special purpose fund includes grants and school generated funds that are restricted for a specific purpose. Annual and accumulated surplus is always zero because revenues are recognized only as related expenditures occur (deferral method of accounting). If expenditures for a program within the special purpose fund exceed available revenues, the resulting deficit is transferred to the operating fund reducing accumulated operating surplus.</p>
<p><b>Capital Fund</b></p> <p>2019 Capital Funding Received or Receivable: \$3.0 million (2018-3.3M)</p> <p>2019 Capital Assets Purchased: \$2.2 million (2018-1.8M)</p>	<p>The capital fund reports investment in and financing activities related to capital assets. Capital contributions (funding) from the Province are accounted for using the deferral method of accounting, whereby recognition of capital funding revenue is spread out over the life of the related capital assets to match with the amortization expense which reflects the use of the asset over its life. This means capital fund revenues are not a reflection of funding actually received in a given year. Also, capital revenues only offset amortization expense in the capital fund to the extent assets were funded by provincial capital grants. As many capital investments are funded by operating revenues (recorded as transfers of accumulated operating surplus to the capital fund), the capital fund normally reports an annual deficit.</p> <p>In short, capital fund revenues, expenses and annual deficit are not a meaningful indicator of annual financial performance.</p>

## FINANCIAL HIGHLIGHTS

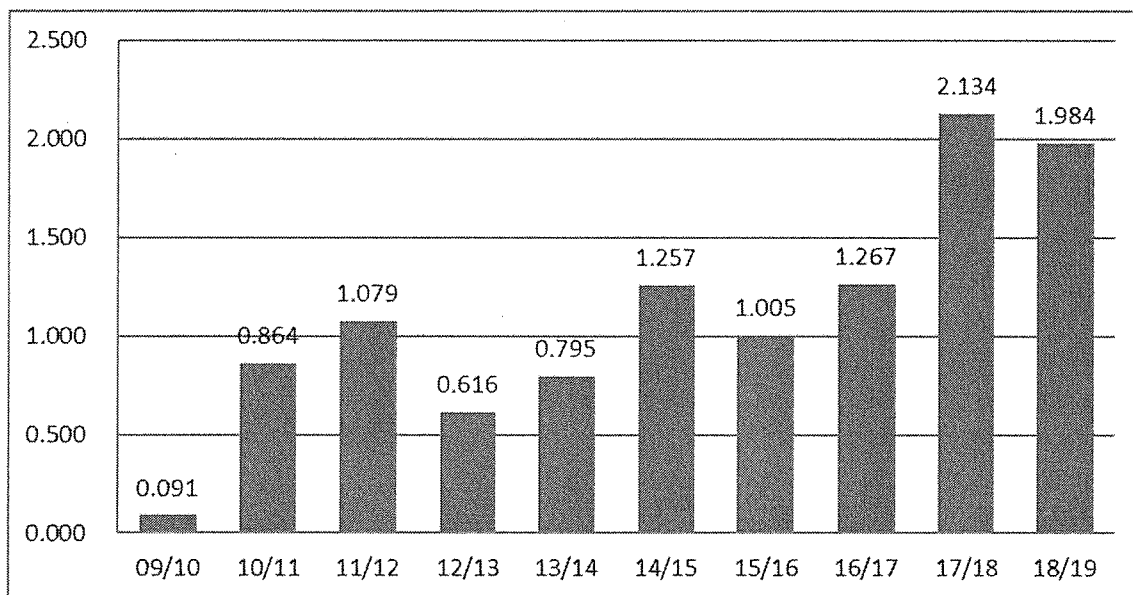
As reported in the Statement of Operations, for the year ended June 30, 2019 the district's expenses exceeded its revenues resulting in an annual deficit of \$485,482 (2018 surplus was \$1,454,160). This was comprised of the combined financial results of the operating fund and the capital fund as follows:

Annual Surplus (Deficit)	June 30, 2019	June 30, 2018
<b>Operating Fund</b>	<b>-149,331</b>	<b>866,661</b>
Capital Fund	-336,151	587,499
Combined	-485,482	1,454,160

Looking at the operating fund, the annual deficit of \$149,331 resulted in a decrease to accumulated operating surplus from \$2,133,654 at the beginning of the year to \$1,984,323 as at June 30, 2019. This overall decline in accumulated operating surplus was the result of increased expenditures that was not fully matched by growth in revenues. While actual results in a number of expenditure areas were either higher or lower than budget, the impact of these variances came close to a increase of \$0.2 million in expenditures.

Maintaining an accumulated operating surplus has alleviated some of the budget pressure over the past few fiscal years particularly due to prior year’s impact of funding protection. As shown in Exhibit 1, accumulated operating surplus has increased from \$91,000 at the end of fiscal year 2010 to its current level of \$1.984 million at the end of fiscal year 2019.

**Exhibit 1: Accumulated Operating Surplus (\$ millions) by Fiscal Year**

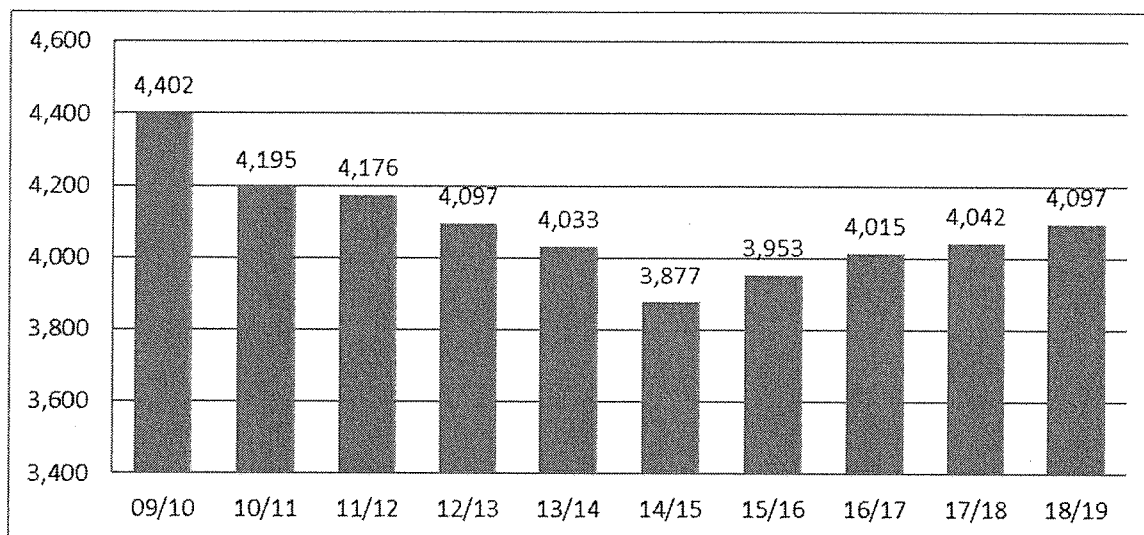


Over the past 10 years, significant financial pressure resulted from the combined effect of declining student enrolment and funding rates that did not pace inflation. These pressures contributed to some use of accumulated operating surplus as presented in Exhibit 1. Provincial operating grants, which comprise approximately 85% of total operating fund revenues, are determined largely based on student enrolment. As enrolment and funding declines, financial pressure results because many program expenditures such as facility and administration costs do not vary directly with student enrolment.

The trend in student enrolment is important for understanding both historical financial performance and the risk related to future budgetary balance. Under the per pupil funding formula, when enrolment increases a district is better able to fund overall program costs increasing financial flexibility. As shown in Exhibit 2, during the past 10 years the school district experienced a significant decline in student enrolment that has stabilized in the past four years. Stable enrolment and moderate growth forecasted in the years ahead means that risk to program and financial stability is expected to improve. As will be discussed in the significant financial events section, the ministry is finalizing a comprehensive review of the funding model with the goal of implementing a new funding model for the 2020/2021 fiscal year.



## Exhibit 2: Funded FTE Enrolment by Fiscal Year



### Capital Investment

During the year ended June 30, 2019, the district invested \$2,207,399 in capital additions that were funded by: Provincial capital funding (\$1,977,061) other provincial capital (\$24,384) and other funds (\$205,954). The majority of this capital investment related to the following facility projects:

Project	Total Cost	Invested in 2018/19	Completion Date
Springwood Elementary Boiler	390,000	390,000	Summer 2018
Bus Replacements	780,535	447,252	Fall 2018
Ballenas Secondary Roof Replacement	486,620	486,620	Summer 2018
Errington Elementary Parking/Drop off	289,899	289,899	Fall 2018

### Significant Events

**Class Size and Composition Language** – Following a ruling by the Supreme Court of Canada, in the fall of 2017 all school districts in the Province restored class size and composition language that had been previously removed from the teachers’ contract in 2002. This restoration was a significant undertaking in the Qualicum School District and involved hiring more than 27 teachers, developing new administrative processes and the creation of additional classroom space through reconfiguration of internal space. During 2018/19, the district received \$3.5 million in additional funding through the Classroom Enhancement Fund (CEF) for teaching positions and for other overhead costs related to the restoration. Funding for restoration (CEF) and the related costs are reported in the special purpose fund.

**Industry Training equipment funds** - In March 2017, the Industry Training Authority confirmed that, based on the funding application completed and submitted, the district had qualified for

\$118,232 in funding over the next three years for youth trades tools and equipment. The district received its final installment of \$33,601 before the end of the fiscal year ending June 30, 2019, which are reported in the capital fund, as Other Provincial Capital.

**Funding Model Review** – following a comprehensive review of the education funding model in 2018, the Ministry of Education is conducting further work to review the recommendations and determine how they should be implemented. A new funding model is expected to be implemented for the 2020/21 school year. The implementation of a new funding model creates uncertainty regarding the district’s future budgetary balance.

**School Capacity Constraints** – with the restoration of class size language and enrolment growth (primarily at elementary) some elementary schools are close to capacity. Over the past two years, growth has been accommodated by renovating internal space to create more classrooms. To accommodate future growth the district will be reviewing several options, which have cost implications for both the capital plan (capital fund) and the operating fund.

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT**

In this section, actual results are compared to the prior year and budget (where applicable). For the statement of operations, the analysis is performed for each of the three funds.

**Statement of Financial Position (All Funds)**

The table below includes explanations for significant variances in the statement of financial position relative to the prior year.

	<b>2019</b>	<b>2018</b>	<b>Analysis of Variance</b>
Cash	15,044,284	15,206,801	Decreased by \$162,517 due to reduced operating surplus.
Deferred Capital Revenue	45,400,489	45,884,157	Decreased by \$483,668 primarily due to amortization of deferred capital revenue outweighing funding for new capital.
Tangible Capital Assets	62,426,020	62,812,930	Decreased by \$386,910 due to amortization of capital assets being greater than additions.

**Statement of Operations by Fund – Operating Fund**

The 2018/19 Amended Budget included appropriation of \$333,077 of accumulated operating surplus comprised of: \$183,077 for educational program carry-forwards and \$150,000 for the implementation of a new ERP software. Other appropriations consist of future projects including a capital maintenance reserve, copier and printer replacement program and school budgets carry forwards.

The remaining \$809,838 of the accumulated operating surplus balance went into a Contingency reserve to reduce budgetary risk.

Detailed information on the operating fund is presented in schedules 2 to 2C following the notes to the financial statements. Revenues, expenditures and accumulated operating surplus are analysed in greater detail below.

### Operating Fund Revenues

A high level summary of operating fund revenues is presented below and explanations of significant variances follows. A more detailed presentation of operating revenues is presented in schedule 2A following the notes to the financial statements.

	Amended Budget 2018/19	Actual 2018/19	Difference	Comments	Actual 2017/18
Provincial Grants	42,632,537	42,964,166	331,629	new grants-Health tax/Supp bens	42,090,288
Other Provincial Revenues	101,450	169,625	68,175		140,779
Offshore Tuition	4,100,000	4,005,703	-94,297	reduced FTE	3,952,621
Miscellaneous other	150,000	159,387	9,387		149,497
Rental and Leases	650,000	699,144	49,144	increased rentals	627,262
Investment Income	300,000	287,405	-12,595		191,037
<b>Total Revenues</b>	<b>47,933,987</b>	<b>48,285,430</b>	<b>351,443</b>		<b>47,151,484</b>

### Operating Fund Expenses

Expenses in the financial statements are presented both by object (category of expense) and by function (program). Operating fund expenses are presented below using each method with explanations of significant variances following. A more detailed presentation of operating expenses is presented in schedules 2B and 2C following the notes to the financial statements.

#### *Analysis of Variances by Object*

Operating Fund Expenditures by Object	Amended Budget 2018/19	Actual 2018/19	Difference	Comments	Actual 2017/18
Teachers	18,033,301	18,349,632	316,331	balancing w ith CEF	17,548,271
Principals and Vice Principals	2,982,403	2,979,831	-2,572		2,752,423
Educational Assistants	3,594,542	3,256,262	-338,280	allocation w ith substitutes	3,034,138
Support Staff	4,836,586	4,732,464	-104,122	allocation w ith substitutes	4,671,567
Other Professionals	1,630,241	1,713,084	82,843		1,446,325
Substitutes	1,386,855	1,812,702	425,847	allocation w ith substitutes	1,638,698
Benefits	8,654,667	8,529,179	-125,488		7,981,178
<b>Total Salaries and Benefits</b>	<b>41,118,595</b>	<b>41,373,154</b>	<b>254,559</b>		<b>39,072,600</b>
Total Supplies and Services	6,729,919	6,960,930	231,011		6,636,857
Fund Transfers	418,550	100,677	-317,873	capital vs supply in nature	575,366
<b>Total Operating Expenditures</b>	<b>48,267,064</b>	<b>48,434,761</b>	<b>167,697</b>		<b>46,284,823</b>

*Analysis of Variances by Function*

Operating Fund Expenditures by Function	Amended Budget 2018/19	Actual 2018/19	Difference	Comments	Actual 2017/18
Instruction	38,660,796	38,920,817	260,021	balancing with CEF	37,018,731
District Administration	2,298,251	2,340,102	41,851		1,908,386
Operations and Maintenance	5,184,118	5,464,837	280,719	capital vs supply in nature	5,206,684
Transportation	1,705,349	1,608,328	-97,021		1,575,656
Fund Transfers	418,550	100,677	-317,873	capital vs supply in nature	575,366
<b>Total</b>	<b>48,267,064</b>	<b>48,434,761</b>	<b>167,697</b>		<b>46,284,823</b>

Accumulated Operating Surplus

Understanding the components of accumulated operating surplus is necessary for knowing how much of the balance relates to multi-year funding of programs (surplus carry-forwards) and how much of the balance is available to reduce financial risk associated with unforeseen expenditures or to fund additional expenditures in the future. The components of the closing accumulated surplus are presented in the table below:

	Actual 2018/19	Actual 2017/18
School budgets	49,248	98,120
Capital maintenance	410,000	350,000
Educational Programs	91,350	183,077
ERP System	0	150,000
Photocopier and Printer Program	250,000	250,000
Energy Projects	100,000	
Budgeted Allocation of Surplus	83,077	292,619
	<b>983,675</b>	<b>1,323,816</b>
Contingency reserve	1,000,648	809,838
Internally restricted	<b>1,984,323</b>	<b>2,133,654</b>
Unrestricted operating surplus	0	0
<b>Total operating surplus</b>	<b>1,984,323</b>	<b>2,133,654</b>

The appropriated operating surplus declined from \$1,323,816 to \$983,675 (a decrease of \$340,141) in part due to projects being completed during the year. The remaining surplus is held in Contingency reserve, which increased in 2018/19 by \$190,810, from \$809,838 to \$1,000,648, which is consistent with new board policy intended to mitigate risk related to unforeseen circumstances.

**Statement of Operations by Fund – Special Purpose Fund**

	Amended Budget 2018/19	Actual 2018/19	Difference	Comments	Actual 2017/18
Provincial Grants	4,548,825	4,542,363	-6,462		3,882,781
Other Revenue	1,350,000	1,308,049	-41,951	School Gen Funds	1,347,159
Expenditures	-5,898,825	-5,850,412	48,413		-5,229,940
<b>Annual Surplus (Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

Grants in 2018/19 were greater than grants in 2017/18 by 659,582 due primarily to increases to the Classroom Enhancement Fund (CEF) which is in its second year of implementation.

Detailed information on the special purpose fund is presented in schedules 3 to 3A following the notes to the financial statements.

### **Statement of Operations by Fund – Capital Fund**

	Amended Budget 2018/19	Actual 2018/19	Difference	Comments	Actual 2017/18
Provincial Grants	2,527,436	2,986,410	458,974		3,282,679
Expenditures	-2,844,309	-3,423,238	-578,929		-3,270,546
Fund Transfers	418,550	100,677	-317,873		575,366
<b>Change in Accumulated Surplus</b>	<b>101,677</b>	<b>-336,151</b>	<b>-437,828</b>		<b>0</b>

Revenues and expenses are consistent with budget and the prior year. This is expected because revenues and expenses in the capital fund are predictable and consistent, as they reflect the recognition of capital funding (as revenue) and the usage of capital assets over their life (as amortization expense). Fund transfers from the operating fund were lower than budget as less expenditures in the operating fund met the criteria for capitalization as an asset.

Within the capital fund the following two balances are important as they represent funds available for future capital investment:

- Local Capital Reserve – this balance forms part of accumulated surplus in the capital fund and represents funds available for investment in capital assets at the discretion of the Board of Education. These funds are generated primarily from proceeds of disposition of assets that are allocated to the School Board.
- MEd Restricted Capital – this balance forms part of the deferred capital revenue balance in the capital fund and represents funds available for investment in capital assets at the discretion of the Ministry of Education. These funds are generated primarily from proceeds of disposition of assets that are allocated to the Minister of Education pursuant to the *School Act*.

The table below presents the 2018/19 closing balances in Local Capital and Ministry of Education Restricted Capital and what portion of the balances are already committed to future capital investment.

	Local Capital	M Ed Restricted Capital
Committed for:		
- Wiring Project	135,989	
- Capital work at Qualicum Commons	171,541	
- Ballenas running track	200,000	
<b>Committed for future investment</b>	<b>507,530</b>	<b>0</b>
<b>Uncommitted Balance</b>	<b>253,785</b>	<b>0</b>
<b>Balance at June 30, 2019</b>	<b>761,315</b>	<b>0</b>

The local capital balance is committed to IT rewiring upgrades, Qualicum Commons capital work and Ballenas running track, with a balance of 253,806 remaining uncommitted. MEd Restricted Capital balance is now depleted due to the completion of the Errington Elementary parking and turnaround project.

Detailed information on the capital fund is presented in schedules 4 to 4D following the notes to the financial statements.

### **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the School District's stakeholders with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Secretary Treasurer's office.



Ministry of  
Education



Government  
of Canada

Gouvernement  
du Canada

**Date:** August 9, 2019

**Title:** Update on the First Nations Student Transportation Fund and Joint First Nations Student Transportation Plans

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Earlier this year timelines were extended to afford BC, Canada and the First Nations Education Steering Committee (collectively, "the Parties") more time to review joint transportation submissions from Boards of Education and First Nations to determine how best to establish the BCTEA Joint First Nations Student Transportation Fund (Transportation Fund) for the 2019/20 school year. This is the first time such an initiative has been undertaken and the process has been significantly more complex than any of the Parties anticipated. Accordingly, please be advised that an interim approach will be taken for the 2019/20 school year.

For the 2019/20 school year, school districts should plan on maintaining existing service levels and the billing arrangements for transportation services that were in place in the 2018/19 school year. The Parties are currently exploring options to provide additional funding that will bridge the gap between planned service improvements (those approved by the Joint Transportation Committee) and existing service levels in place. Partners can expect additional information on specific funding amounts and approved plans to be provided early in the fall. Any Boards of Education and First Nation that has not finalized Joint Transportation Plans at this time will not be included within this initiative for the upcoming school year and should plan on maintaining existing services and billing arrangements for the duration of 2019/20 school year. They can submit for the 2020/21 school year.

As requested by the Joint Transportation Committee, the BC Ministry of Education is actively following up with school district staff to clarify elements of certain Joint Transportation Plans and, in some cases, to request revised costing information. In these instances, prompt follow-up from staff will be of great assistance to the Parties in securing final decisions and approvals at the tripartite level.

The Parties remain committed to their obligations under BCTEA, and would like to thank Boards of Education, school district staff and First Nations for their extensive work to develop Joint Transportation Plans for First Nations students.



## Briefing Note

**Date:** September 16, 2019  
**To:** Finance and Operations Committee of the Whole  
**From:** Dr. Keven Elder, Superintendent of Schools  
**RE:** **Ballenas Track Planning Update and Steering Committee Terms of Reference**

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On Tuesday, August 27, 2019, at its regularly scheduled public meeting, the Board of Education of School District 69 Qualicum passed the following two motions unanimously:

*THAT the Board of Education of School District 69 (Qualicum) commit \$200,000 of the Local Capital balance to fund part of the track resurfacing project at Ballenas Secondary School.*

*THAT the Board of Education of School District 69 (Qualicum) direct district staff to organize a district steering committee to move the project forward and that this committee include representation from the district and community partners.*

In addition, Executive staff were tasked to bring a report, including Terms of Reference for the steering committee, to the September Board meeting. This memo is intended to serve that purpose, and is coming to the Board through the Board's standing Finance and Operations Committee meeting of September 16, 2019.

### Background

The track at Ballenas Secondary School, while usable, has been in a state of disrepair for many years. The renewal of the track has been the subject of community dialogue for over a decade, with the school district and several community agencies expressing an ongoing interest in repairing or, better yet, rebuilding the track.

Over the past few years, the Regional District of Nanaimo (RDN) has taken the unofficial lead given its mandate to serve all of the citizens of the region, along with the awareness in our community that the track would serve all citizens of the region. Over the summer we were advised by the RDN that their interest in leading the project had, for reasons of operational and fiscal priorities, been moved to the back burner.

Senior staff of the school district met in August with Ballenas Principal Rudy Terpstra to discuss ways in which the school district might take the lead. As an ad hoc committee we quickly realized that for the school district to take the lead, direction and support would have to be requested from the Board of Education. In preparation for taking this request to the Board, senior staff determined that it would be best to be in possession of current information regarding engineering and potential costs of the project. Secretary Treasurer Ron Amos and Operations General Manager Chris



Dempster then secured the services of Koers and Associates Engineering Ltd who provided us with some preliminary data on August 12, 2019.

Further to receipt of that information, on August 27, 2019 Secretary Treasurer Ron Amos provided an update to the Board in public, leading to the decision by the Board to take the lead on this long-awaited project. Thus the two motions referenced above (steering committee and seed money).

### **Highlights from the Koers Report**

Following are direct extracts from the Koers and Associates Engineering report submitted to senior staff on August 12, 2019:

*School District 69 is considering upgrading the existing all-weather gravel surface track with a synthetic running surface. In June of 2018, SD 69 obtained costs for excavation, base gravel and asphalt. These costs, along with synthetic resurfacing costs, were used for budgetary purposes.*

*Koers and Associates surveyed the existing track and has considered two upgrading options:*

- 1. Keep the existing track dimensions and widen to accommodate 6 – 400m long lanes. Also provide extra widening along the north side to accommodate 8 lanes for the 100m sprint. The existing 1% slope would be maintained for his option.*
- 2. Provide a 6 lane regulation track surface that also meets the maximum slope criteria (<0.1%) on the running surface.*

*Surfacing the existing track (Option 1) will provide the school district with a 400m synthetic track at a total cost of approximately \$700,000. This will not be a regulation track. Upgrading to a regulation sized level track (Option 2) will increase the cost to approximately \$870,000.*

*If Option 2 is selected, some additional field survey and engineering investigations should be carried out to determine if a regulation 8 lane track can be constructed at this location.*

### **Current Status of Planning**

The ad hoc committee remains in place pending creation of the steering committee. This working group includes the following:

Rudy Terpstra, Principal, Ballenas Secondary School  
Chris Dempster, General Manager of Operations, SD 69  
Gillian Wilson, Associate Superintendent of Schools, SD 69  
Julie Austin, Trustee, Board of Education, SD 69  
Ron Amos, Secretary Treasurer, SD 69  
Keven Elder, Superintendent of Schools and CEO, SD 69

Following the passing of the Board motions on August 27, 2019, the ad hoc committee met on September 5, 2019 and developed the following recommended terms of reference for and membership of the steering committee.

### **Recommended Terms of Reference for Steering Committee**

The steering committee shall be known as the Ballenas Track Renewal Steering Committee, and shall have the following Terms of Reference:

1. Review all options including Options 1 and 2 as presented and any potential for building an 8 lane track with an 8 lane sprint section.
2. Develop a full project scope for each viable option, including one-time cost of the project itself as well as ongoing maintenance.
3. Develop partnerships within the community.
4. Secure funding through the work of a fund-raising working group.
5. Develop preliminary plans through the work of a technical working group.
6. Create a series of presentations and community outreach materials to engage the public and community organizations.
7. Consider possibilities for corporate partnerships or sponsorships.
8. Report to the Board of Education on a regular basis.
9. Secure necessary funding commitments for the project prior to September 30, 2020.
10. Plan for commencement of construction in April 2021.

**Recommended Steering Committee Membership**

1. Ballenas Secondary School Principal, Rudy Terpstra
2. School District 69 Superintendent, Keven Elder
3. School District 69 Secretary Treasurer, Ron Amos
4. School District 69 General Manager of Operations, Chris Dempster
5. School District 69 Board of Education, Trustee Elaine Young
6. Community Representative 1, TBD
7. Community Representative 2, TBD
8. Regional District of Nanaimo (RDN), TBD
9. PLAY Oceanside Representative, TBD
10. City of Parksville Representative, TBD
11. Parksville Chamber of Commerce Representative, TBD
12. Oceanside Track and Field Representative, TBD
13. PacificSport Vancouver Island Executive Director, Drew Cooper
14. Ballenas Student Representative, TBD
15. Others TBD, including in relation to accessibility, seniors, First Nations, early childhood and other identifiable interest groups

**Next Steps**

I recommend at this time that the Board of Education review, amend as necessary and adopt as amended the proposed terms of reference for, and the recommended membership of, the Ballenas Track Renewal Steering Committee. Should the terms of reference and membership be approved, we would convene the committee and begin working through the terms of reference, with reports back to the Board as outlined in those terms of reference.

Prior to closing I need to point out one factor in relation to cost. While we are entering this process with an expected target for funding in the amount of \$1 million, the steering committee and the Board will have to pay close attention to the budget numbers as they emerge. If the expected cost moves beyond the initial estimate of \$1 million, we will bring that information to the Board in a timely fashion. In addition, we will need the steering committee to pay close attention to other potential cost drivers, most notably for ongoing maintenance of the track.

Submitted with respect, and in anticipation,

Keven Elder