

FINANCE & LEGAL COMMITTEE MEETING

WEDNESDAY, FEBRUARY 20, 2019 11:00 a.m.

LOCATION: 1st Floor Board Room

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the (- - -) language group on whose traditional and unceded territories we teach, learn and live.

1. APPROVAL OF AGENDA
2. APPROVAL OF MINUTES &
3. TRUSTEES' EXPENSES
4. BUDGET UPDATE
5. 2018/2019 AMENDED ANNUAL BUDGET BYLAW
6. FUNDING MODEL REVIEW UPDATE
7. FINANCE & LEGAL 2019 MEETING SCHEDULE
March meeting discussion

NEXT MEETING DATE:

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F P A L C

DATE: February 14, 2019
FROM: Maria Fu, Director of Financial Services
SUBJECT: 2018/19 Amended Annual Budget Bylaw

RECOMMENDATION

THAT the Board of Education (Richmond) approve the appropriation of an additional \$1,244,000 to the Local Capital Fund, resulting in the 2018/2019 Local Capital Transfer amount from \$3,756,000 to \$5,000,000.

AND FURTHER THAT the Board of Education (Richmond) approve the 2018/19 Amended Annual Budget Bylaw by way of three readings prior to February 28, 2019.

BACKGROUND

As directed by the Ministry of Education, this budget bylaw has been prepared in accordance with the Public Sector Accounting Board (PSAB) standards for not for profit organizations, and Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

This format requires that the Board approve a budget for each of the Operating, Special Purpose and Capital funds.

As such, the Amended Annual Budget Bylaw amount of \$263,870,642 comprises combined expenditures across all funds.

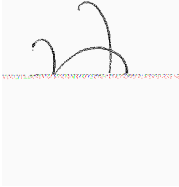
CURRENT RESULTS

The 2018/19 Amended Annual Budget reflects the announced Interim Operating Grant from the Ministry of Education based on the September 30, 2018 student enrolment count. The February and May 2019 counts are still estimates.

As per the 2017/18 Audited Financial Statements auditor finding, revenues and expenses have been "grossed up" accordingly in the Operating Fund to reflect the costs and income from the Shenzhen, Connections and Homestay programs. Prior to the "gross up" method, the net surpluses were budgeted using the netting method. There is no additional net impact to the Operating Fund due to the change in reporting method.

The approved 2017/18 budget appropriation, in the amount of \$1,559,512, to balance the 2018/19 Annual Budget is not required in the 2018/19 Amended Annual Budget. As a result, this appropriation is removed and is now an unrestricted surplus.

Respectfully submitted,



*Maria Fu,
Director of Financial Services*

Amended Annual Budget

School District No. 38 (Richmond)

June 30, 2019

School District No. 38 (Richmond)

June 30, 2019

Table of Contents

Bylaw	1
Amended Annual Budget - Revenue and Expense - Statement 2	2
Amended Annual Budget - Changes in Net Financial Assets (Debt) - Statement 4	4
Amended Annual Budget - Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1	5
Schedule 2A - Amended Annual Budget - Schedule of Operating Revenue by Source	6
Schedule 2A - Amended Annual Budget - Schedule of Operating Revenue by Source	7
Schedule 2B - Amended Annual Budget - Schedule of Operating Expenses by Object	8
Schedule 2C - Amended Annual Budget - Schedule of Operating Expenses by Object	9
Schedule 2D - Amended Annual Budget - Schedule of Operating Expenses by Object	10
Amended Annual Budget - Capital Revenue and Expense - Schedule 4	15

*NOTE: Statement 1, Statement 3, Statement 5 and Schedules 4A - 4D are used for Financial Statement reporting only

AMENDED ANNUAL BUDGET BYLAW

(called the "Board") to adopt the Amended Annual Budget of the Board for the fiscal year 2018/2019 pursuant to section 44-3 of the School Act, R.S.B.C., 1996, c. 412 as amended from time to time (called the "Act").

1. Board has complied with the provisions of the Act respecting the Amended Annual Budget adopted by this bylaw.
2. This bylaw may be cited as School District No. 38 (Richmond) Amended Annual Budget Rylaw for fiscal year 2018/2019
3. The attached Statement 2 showing the estimated revenue and expense for the 2018/2019 fiscal year was prepared in accordance with the Act.
4. Statement 2, 4 and Schedules 1 to 4 are adopted as the Amended Annual Budget of the Board for the fiscal year 2018/2019.

READ A FIRST TIME THE 27th DAY OF FEBRUARY, 2019;

READ A SECOND TIME THE 27th DAY OF FEBRUARY, 2019;

READ A THIRD TIME, PASSED AND ADOPTED THE 27th DAY OF FEBRUARY, 2019;

Chairperson of the Board

(Corporate Seal)

Secretary/Treasurer

I HEREBY CERTIFY this to be a true original of School District No. 38 (Richmond) Amended Annual Budget Rylaw 2018/2019, adopted by the Board the 27th DAY OF FEBRUARY, 2019.

Secretary Treasurer

School District No. 38 (Richmond)

Statement 2

Amended Annual Budget - Revenue and Expense
Year Ended June 30, 2019

	2019 Amended Annual Budget	2019 Annual Budget
Ministry Operating Grant Funded FTE's		
School-Age	19,481.813	19,476.875
Adult	172.125	189.000
Other	562.750	572.875
Total Ministry Operating Grant Funded FTE's	20,216.688	20,238.750
Revenues	\$	\$
Provincial Grants		
Ministry of Education	210,170,504	212,132,307
Other	144,000	
Federal Grants	1,676,331	1,568,614
Tuition	20,202,634	19,120,990
Other Revenue	8,745,754	8,668,094
Rentals and Leases	1,094,978	1,145,962
Investment Income	2,824,651	1,889,100
Amortization of Deferred Capital Revenue	8,439,266	8,218,926
Total Revenue	259,298,198	252,764,253
Expenses		
Instruction	207,405,607	202,902,959
Operations and Maintenance	42,881,878	42,915,091
Transportation and Housing	1,631,245	1,635,675
Debt Services	156,930	190,000
Total Expense	259,376,489	255,734,030
Net Excess (Expense)	(78,291)	(1,069,777)
Budgeted Allocation (Retirement) of Surplus (Deficit)		1,559,512
Budgeted Surplus (Deficit), for the year	(78,291)	(1,410,265)
Budgeted Surplus (Deficit), for the year comprised of:		
Operating Fund Surplus (Deficit)		
Special Purpose Fund Surplus (Deficit)		
Capital Fund Surplus (Deficit)		
Budgeted Surplus (Deficit), for the year	(78,291)	(1,410,265)

School District No. 38 (Richmond)

Amended Annual Budget - Revenue and Expense
Year Ended June 30, 2019

	2019 Amended Annual Budget	2019 Annual Budget
Budget Bylaw Amount		
Operating - Total Expense	196,833,726	196,473,572
Special Purpose Funds - Total Expense	47,464,384	44,579,973
Capital Fund - Tangible Capital Assets Purchased from Local Capital	4,228,850	4,602,058
Total Budgeted Expenditures	248,526,960	245,655,503

Approved by the Board

_____ Signature of the Chairperson of the Board of Education	_____ Date Signed
_____ Signature of the Superintendent	_____ Date Signed
_____ Signature of the Secretary Treasurer	_____ Date Signed

School District No. 38 (Richmond)

Amended Annual Budget - Changes in Net Financial Assets (Debt)
 Year Ended June 30, 2019

	2019 Amended	2018
	79,001	10,060,000
Effect of change in Tangible Capital Assets		
Acquisition of Tangible Capital Assets		
From Operating and Special Purpose Funds	(265,294)	(265,294)
From Local Capital	(4,228,859)	(4,692,958)
From Deferred Capital Revenue	(15,193,000)	(12,250,000)
From Capital Leases	(2,625,000)	
Total Acquisition of Tangible Capital Assets	(22,312,153)	(17,208,252)
Amortization of Tangible Capital Assets	14,921,449	14,490,485
(Increase) Decrease in Net Financial Assets (Debt)	(7,468,995)	(5,687,544)

School District No. 38 (Richmond)

Amended Annual Budget - Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2019

	Operating Fund \$	Special Purpose Fund \$	Capital Fund \$	2019 Amended Annual Budget \$
Accumulated Surplus (Deficit), beginning of year	16,403,043	-	165,653,531	182,056,574
Changes for the year				
Interfund Transfers				
Tangible Capital Assets Purchased		(265,294)	265,294	
Local Capital	(5,000,000)		5,000,000	
Net Changes for the year	-	-	(78,291)	(78,291)
Budgeted Accumulated Surplus (Deficit), end of year	16,403,043	-	165,575,240	181,978,283

School District No. 38 (Richmond)

Schedule 2

Year Ended June 30, 2019

	2019 Amended Annual Budget	2019 Annual Budget
	\$	\$
Revenues		
Provincial Grants	159,912,037	156,992,614
Other	144,000	
Tuition	20,202,634	19,120,990
Other Revenue	887,954	754,494
Rentals and Leases	1,094,978	1,145,062
Investment Income	1,420,623	040,000
Total Revenue	201,833,726	198,670,060
Expenses		
Instruction	162,187,238	160,600,482
District Administration	6,546,210	7,244,994
Operations and Maintenance	26,810,131	27,333,100
Total Expense	195,543,579	195,178,576
Net Revenue (Expense)	5,000,000	2,196,488
Budgeted Prior Year Surplus Appropriation	-	1,559,512
Net Transfers (to) from other funds		
Local Capital	(5,000,000)	(3,756,000)
Budgeted Surplus (Deficit), for the year	-	-

School District No. 38 (Richmond)

Amended Annual Budget - Schedule of Operating Revenue by Source
 Year Ended June 30, 2019

	2019 Amended Annual Budget	2019 Annual Budget
	\$	\$
Provincial Grants - Ministry of Education		
Operating Grant, Ministry of Education	175,235,542	173,667,072
Other Ministry of Education Grants		
Day Equity	2,215,706	2,215,706
Funding for Graduated Adults	71,616	29,349
Transportation Supplement	21,608	21,608
Economic Stability Dividend	194,294	
Carbon Tax Grant	162,505	162,505
ESA Support	27,202	27,202
Benefit Funding-Standardization	55,074	
Strategic Priorities	30,300	
Total Provincial Grants - Ministry of Education	178,013,937	176,802,614
Provincial Grants - Other	144,000	
Tuition		
Summer School Fees	519,570	516,173
Continuing Education	989,064	877,335
International and Out of Province Students	18,694,000	17,697,482
Total Tuition	20,202,634	19,120,990
Other Revenues		
Other School District Education Activities	405,000	400,000
Miscellaneous		
Cafeteria	341,954	340,494
Miscellaneous	51,000	14,000
Total Other Revenue	887,954	754,494
Rentals and Leases	1,094,978	1,145,962
Investment Income	1,490,223	846,000
Total Operating Revenue	201,823,726	198,670,060

School District No. 38 (Richmond)

Schedule 2B

Amended Annual Budget, Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Amended Annual Budget	2019 Annual Budget
	\$	\$
Salaries		
Teachers	84,116,652	83,445,105
Other Professionals	5,288,131	5,478,940
Employee Benefits	34,831,525	36,418,310
Total Salaries and Benefits	176,109,201	177,375,077
Services and Supplies		
Services	8,660,624	7,763,940
Student Transportation	10,300	10,300
Professional Development and Travel	907,814	911,257
Rentals and Leases	235,144	235,144
Dues and Fees	117,790	118,956
Insurance	525,664	525,664
Supplies	6,696,133	5,962,178
Utilities	3,571,056	3,571,056
Total Services and Supplies	20,724,525	19,098,495
Total Operating Expense	196,833,726	196,473,572

School District No. 38 (Richmond)

Amended Annual Budget - Operating Expense by Function, Program and Object
 Year Ended June 30, 2019

Function	Teachers Salaries	Principals and Vic Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
1 Instruction							
1.02 Regular Instruction	63,721,967	1,064,052		1,243,72		5,0	73,031,593
1.03 Career Programs	158,832			417,38			575,890
1.07 Library Services	1,313,733			54,55			1,813,698
1.08 Counseling	2,667,732						2,667,782
1.10 Special Education	7,311,522	144,359	11,490,846	14,15		6,0	19,551,902
1.30 English Language Learning	2,882,900	65,541		14,15			3,002,656
1.31 Bilingual Education	298,081	40,284		3,56			341,431
1.41 School Administration		1,402,732		4,33,97		3,0	13,112,258
1.60 Junior High School	653,966	74,342					728,308
1.61 Continuing Education	587,730	39,050		14,30		3,0	1,411,473
1.62 International and Out of Province Students	4,520,119	37,126		22,15			5,311,674
1.64 Other							
Total Function 1	84,116,632	1,221,286	11,490,846	7,092,58	527,853	6,5	121,911,665
4 District Administration							
4.00 Educational Administration				17,177	1,598,273		1,715,731
4.40 School District Governance					188,421		188,421
4.400 Business Administration		139,347		97,234	1,618,530		2,855,886
Total Function 4		139,347		1,152,71	3,405,224		4,897,038
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				17,148	1,355,054		1,522,202
5.50 Maintenance Operations				10,993,31		5,0	11,509,359
5.52 Maintenance of Grounds				64,741			64,741
5.56 Utilities							
Total Function 5				11,812,20	1,355,054	5,0	13,177,423
7 Transportation and Housing							
7.70 Student Transportation				66,18			66,18
Total Function 7				66,18			66,18
9 Debt Services							
Total Function 9							
Total Functions 1 - 9	84,116,632	1,360,533	11,490,846	20,725,57	5,288,131	7,2	141,211,676

District No. 38 (Richmond)

Annual Budget - Operating Expense by Function, Program and Object
 June 30, 2019

Function, Program and Object	Total Salaries	Employment	Total	Services and Supplies	2019 Annual Budget	2019 Annual Budget
General Administration	73,085	18	19	4,948	7,394	93,876
Library Services	575	14	7	1,226	4,551	1,060
Business Services	1,863	45	7	3,022	5,511	2,693
Special Education	2,667	55	5	8,761	3,357	3,364
English Language Learning	19,578	42	5	1,036	7,786	25,268
Special Education	3,097	76	4	25,571	6,408	3,921
Special Education	371	9	2	44	6,914	5,111
Special Education	13,132	3	23	1,243	9,311	17,643
Special Education	728	13	1	33	0,357	946
Special Education	1,496	28	5	336	7,192	2,239
Special Education	5,399	1	32	3,357	7,525	9,065
Special Education	121,997	65	30	10,774	9,332	160,600
Administration	1,772	43	1	181	1,331	2,739
Administration	188	1	15	147	9,387	3,173
Administration	2,884	71	15	2,104	5,492	4,187
Administration	4,846	1	16	538	6,310	7,244
Maintenance / Administration	1,534	37	1	1,276	8,350	3,168
Maintenance / Administration	11,533	2	34	4,549	4,422	19,506
Maintenance / Administration	641	15	1	227	6,303	1,087
Maintenance / Administration	13,709	123	3	3,271	1,056	3,571
Maintenance / Administration	724	550	17	337	0,147	1,294
Maintenance / Administration	724	550	17	337	0,147	1,294
Maintenance / Administration	141,277	376	34	724	3,726	196,473

School District No. 38 (Richmond)

Schedule 3

Amended Annual Budget - Special Purpose Revenue and Expense
 Amended Annual Budget - Special Purpose Revenue and Expense
 Year Ended June 30, 2019

	2019 Amended Annual Budget	2019 Annual Budget
	\$	\$
Revenues		
Provincial Grants		
Ministry of Education	38,156,647	35,349,953
Federal Grants		
	1,676,331	1,568,614
Other Revenue		
Investment Income	38,900	13,100
Total Revenue	47,729,678	44,845,267
Expenses		
Instruction	45,218,369	42,302,476
District Administration	754,619	845,311
Operations and Maintenance	1,491,396	1,432,186
Total Expense	47,464,384	44,579,973
Net Revenue (Expense)	265,294	265,294
Net Transfers (to) from other funds		
Tangible Capital Assets Purchased	(265,294)	(265,294)
Total Net Transfers	(265,294)	(265,294)
Budgeted Surplus (Deficit), for the year	-	-

School District No. 38 (Richmond)

Annual Budget - Changes in Special Purpose Funds
 Year Ended June 30, 2019

Deferred Revenue, beginning of year	16,597
Additional:	
Restricted Grants	31,588
Provincial Grants - Ministry of Education	56,384
Federal Grants	72,700
Other	5,500
Investment Income	6,752
Less:	
Allocated to Revenue	72,578
Covered	393
Deferred Revenue, end of year	109,288
Revenues	
Provincial Grants - Ministry of Education	15,577
Federal Grants	67,311
Other Revenue	82,300
Investment Income	5,200
Expenses	
Salaries	72,578
Teachers	9,095
Principals and Vice Principals	21,270
Educational Assistants	64,015
Support Staff	88,595
Other Professionals	24,580
Substitutes	51,177
Employee Benefits	38,932
Services and Supplies	0,011
Supplies and Supplies	5,411
Other	4,334
Net Revenue (Expense) before Interfund Transfers	20,214
Interfund Transfers	
Transferable Capital Assets Purchased	20,214
Net Revenue (Expense)	0

School District No. 38 (Richmond)
 Amended Annual Budget - Capital Revenue and Expense
 Year Ended June 30, 2010

	2019 Amended Annual Budget			
	Invested in Tangible Capital Assets	Local Capital	Fund Balance	2019 Annual Budget
	\$	\$	\$	\$
Revenues				
Investment Income		1,295,528	1,295,528	1,000,000
Total Revenue	6,437,200	1,295,528	9,724,820	9,240,000
Expenses				
Amortization of Tangible Capital Assets			14,580,351	14,149,706
Operations and Maintenance	14,580,351		241,000	240,780
Debt Services		157,000	157,000	100,000
Total Expense	14,580,351	157,000	14,978,351	14,490,486
Net Revenue (Expense)	(6,482,183)	1,138,528	(5,343,585)	(5,431,559)
Net Transfers (to) from other funds				
Tangible Capital Assets Purchased	265,294		265,294	265,294
Local Capital		5,000,000	5,000,000	3,756,000
Total Net Transfers	265,294	5,000,000	5,265,294	4,021,294
Other Adjustments to Fund Balances				
Depreciable Capital Assets Derived from Local Capital	4,000,000	(4,000,000)		
Principal Payment				
Capital Lease	2,380,000	(2,380,000)		
Total Other Adjustments to Fund Balances	6,380,000	(6,380,000)		
Available Funds Available for the Year	3,163,111	14,058,528	4,391,235	(1,150,335)



January 22, 2019

Ref 207436

Dear Education Partner,

Thank you for your response to the 2018/19 Education Funding Review. Your comments and the sector's comprehensive recommendations are now publicly available. The recommendations provide a road map for our sector to help improve the K-12 public education funding system and make a real difference for students across the province.

As I have indicated, there will be no changes to the funding model for the 2019/20. Our goal is to move towards a funding system that is responsive, equitable, stable and predictable, flexible, transparent and accountable. We are currently working towards a funding system that is responsive, equitable, stable and predictable, flexible, transparent and accountable.

I am pleased to invite you to an all-day Deputy Minister-led partner meeting in Vancouver on February 15, 2019 (8:30am-3:30pm). The purpose of the forum will be to develop a common understanding of the current funding model, the recommendations, as well as the implementation plan.

The agenda of the meeting will help us to understand the challenges you face, who will assess the recommendations and identify strategies to address them. In preparation for the upcoming meeting, I am asking you to solicit feedback from your members on the following themes:

1. List the recommendations in order of importance to your organization. Some recommendations may have multiple components. If your members feel that certain aspects of a particular recommendation are more important than others, please be sure to identify them in order of importance.
2. Specify the recommendations that your organization may want to see implemented earlier to best support student achievement. Again, if there are aspects of a recommendation that should be implemented earlier, please be sure to identify those components.
3. Identify the recommendations that your organization feels are the most challenging to implement and identify specific implications and concerns associated with those recommendations. Please provide meaningful supporting evidence.

Please RSVP your participation for this partner meeting as soon as possible by email to K12fundingreview@gov.bc.ca. Note: Both the President and Executive Director (or equivalent) from your organization(s) are welcome to participate in the meeting.

I request that your submissions on the topics noted above be submitted to the Ministry by February 22, 2019. They can be emailed to K12fundingreview@gov.bc.ca.

The information that your organization provides at this stage in the process is critical – it is foundational input that will help focus the time and efforts of several working groups. Membership on the working groups will include a range of partners and stakeholders, such as teachers, parents, trustees, school district staff, and other associations. The working groups start meeting in March 2019, and will be organized as follows:

Inclusive Education

Co-chairs:

Cloe Nicholls, Executive Director, Learning Division
Pieter Langstraat

Online Learning

Co-chairs:

Nikki Lachance, Executive Director, Learning Division
Mike McKay

Adult and Continuing Education

Co-chairs:

Emilie Rimmer, Executive Director, Education Programs Division
Debbie Jeffrey, First Nations Education Steering Committee

Financial Management

Co-chairs:

Kim Horn, Executive Director, Resource Management Division
Joan Axford

Given that the accountability topic is relevant across all the areas noted above and will be discussed as part of these various working groups, Keith Godin will be establishing a separate Accountability

Advisory Committee that will guide the implementation of an accountability framework aligned with measurable and focused on student outcomes. More information on the Accountability Advisory Committee will be provided soon.

I expect that education trustees and stakeholders will have a range of perspectives on the understanding of the current model, the proposed changes, and the implications before proceeding further. My expectation is that working groups will focus on the following activities:

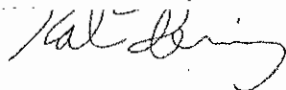
- ensuring that all members understand how funding is currently calculated, including the

possible solutions

The working groups are expected to meet up to five times between March and September 2010 and
Reference for each group) in the Fall of 2010. Once all working group reports are received, I commit

I look forward to working with all the ministry's stakeholders and partners as we make important
communication throughout this process and as I will provide regular progress updates to you as we
move forward. If you have any questions or require further information, please contact Reg Bawa,
Assistant Deputy Minister, by email at K12fundingreview@gov.bc.ca.

Again, thank you for continued engagement and support as we work together to make these
important improvements for the students of British Columbia



Rob Fleming
Minister