

FINANCE COMMITTEE
Reporting to Public Session, Tuesday, September 27, 2011

The Finance Committee met on Tuesday, September 20, 2011 at 5:05 pm. In attendance were: Trustees Ron Burton (Chair), Larry Hayes, Diana Mumford, Baljinder Narang (items 1 and 2), James Wang, Gary Wong; Superintendent of Schools Claudio Morelli, Secretary-Treasurer Greg Frank, Assistant Superintendents Heather Hart and Gina Niccoli-Moen and Assistant Secretary-Treasurer Roy Uyeno.

1. KPMG External Auditors

Secretary-Treasurer Greg Frank introduced to the committee Mr. Brian Szabo, Associate Partner with KPMG, the district's external auditor. Mr. Szabo provided Trustees with an overview of the audit of the school district's financial statements for the year ended June 30, 2011. Mr. Szabo reviewed with the committee the following information:

- Responsibility of management, auditors and the Finance Committee
- Independence of the Auditor
- Audit scope and opinion
- An overview of the audit

Mr. Szabo left the meeting at 5:35 pm.

Recommendation: THAT the Board of Education receive this information.

**2. Audited Financial Statements for
The Fiscal Year ended June 30, 2011**

Roy Uyeno, Assistant Secretary-Treasurer provided Trustees with an overview and highlights of the draft 2010/2011 audited financial statements. Highlights included:

- The school district's auditors KPMG have issued an unqualified audit report.
- The financial statements are in full compliance with Generally Accepted Accounting Principles (GAAP) for not-for-profit entities.
- The district ended the year in a strong financial position with a \$852,458 net unrestricted operating fund balance and a \$5.2 million restricted operating fund balance.
- The Ministry of Education operating grant totaled \$190.5 million, an increase of \$715,000 over budget due to additional holdback funds released by the Ministry at the end of the year
- The Ministry of Education Annual Facilities Grant totaled \$2.2 million, approximately half the historical level of funding
- International Education revenues totaled \$9.5 million, an increase of \$850,000 over the prior year

- Utilities costs totaled \$3 million, a savings of \$430,000 from budget as a result of continued energy management program and a mild winter
- An increase in capital construction projects resulting in capital project work in progress at June 30 totaling \$87.6 million
- Non-vested Employee Future Benefits of \$984,000 fully funded in accordance with new Public Sector Accounting Standards. Funded Employee Future Vested and Non-vested Benefits totaled \$7 million

A presentation of the 2010/2011 audited financial statements will be made at the September 27, 2011 Public Session meeting.

Recommendation: THAT the Board receive and approve the audited financial statements of the Board of Education of School District No. 41 Burnaby for the year ended June 30, 2011, as presented.

3. Contract Award

In accordance with Policy 3.80 Purchasing Goods and Services, Mr. Frank provided the committee with a report on the tender award of a two-year contract with IBM Canada Ltd./Lenova (Canada) Inc./Microserve for the provision of computers and related hardware.

Recommendation: THAT the Board of Education receive this information.

4. Adjournment

The Chair adjourned the meeting at 6:15 pm.