

NANAIMO LADYSMITH PUBLIC SCHOOLS

BUSINESS COMMITTEE PUBLIC MEETING

ACTION SHEET

DATE: September 27, 2023
TO: Board of Education
FROM: Mark Walsh, Secretary-Treasurer and Taunia Sutton, Associate Secretary-Treasurer
SUBJECT: Revised 2022-2023 Surplus Allocation

Recommendation:

That the Board of Education of School District No. 68 (Nanaimo- Ladysmith) approve the recommendations contained in this Action Sheet to allocate the unrestricted surplus to support the Board's goals.

Background:

On August 30, 2023, staff presented the Board with the preliminary 2022-2023 year-end surplus position. At the September 13, 2023, Business Committee Meeting additional recommendations were made with regards to the unrestricted surplus balance. (Both Information Sheets are attached). Subsequent to the Business Committee Meeting we noted an error on the surplus schedule which overstated the Indigenous Education year-end surplus position and understated the unrestricted surplus balance by \$12,520, which has now been corrected.

Discussion:

The original surplus recommendation presented on August 30, 2023, noted the Indigenous Education Program year-end surplus position as \$144,184 which has now been revised to \$131,664. Additionally, a transfer to Local Capital in the amount of \$2,700,000 was proposed, leaving an unrestricted surplus balance of \$471,752

On September 13, 2023, two additional recommendations were brought forward for ELL and EA staffing needs, utilizing the unrestricted balance of \$471,752. However, due to the error that was recently noted and corrected, the unrestricted balance was restated to \$484,271.

Further, the accumulated surplus schedule has been updated to include the additional surplus recommendation for the staffing needs identified, utilizing the full unrestricted balance.

For clarity purposes, the accumulated surplus position and recommendations are being provided in the order they were presented and have occurred.

Board Meeting - August 30, 2023

Note 13 Accumulated Surplus		
OPERATING FUND	2022-2023	2021-2022
Accumulated Operating Surplus	8,579,310	7,818,360
<u>Restricted Surplus Reserve for Anticipated Unusual Expenses:</u>		
Staffing Contingencies	250,000	600,000
Replacement Cost Contingencies	250,000	400,000
	<u>500,000</u>	<u>1,000,000</u>
<u>Restricted Surplus Reserve for Financial Constraints/Targeted Funds:</u>		
District Benefit Plans - Premium Balance	2,539,431	2,575,232
Revenue for 23/24 received in 22/23 for ICY Team	717,241	-
Teacher Mentorship Grant	259,621	261,758
Indigenous Education Programs	144,184	415,443
Bargaining/CUPE Table Money Carry-Over	41,020	-
Trustee Professional Development/Travel	19,716	-
Outreach Program	-	55,938
Seamless Day Kindergarten Pilot	-	50,000
Health & Safety	-	17,800
Total	<u>3,721,213</u>	<u>3,376,171</u>
<u>Restricted Surplus Reserve for Operations Spanning Multiple School Years:</u>		
School Opening Costs - Yr. 1 Operating Costs	600,000	-
School Equipment (Enrolment)	250,000	-
School Supplies	223,356	134,367
Undelivered purchase orders /outstanding obligation at June 30th	100,490	563,343
Active Transportation	12,500	-
Total	<u>1,186,346</u>	<u>697,710</u>
<u>Unrestricted Operating Surplus Reserve:</u>	3,171,752	2,744,479
Summary of Accumulated Operating Surplus		
Total Internally Restricted Surplus Appropriated by the Board	5,407,558	5,073,881
Total Unrestricted Surplus	<u>3,171,752</u>	<u>2,744,479</u>
Total Accumulated Operating Surplus	<u>8,579,310</u>	<u>7,818,360</u>
CAPITAL FUND		
Investment in Tangible Capital Assets	29,935,253	27,909,196
Local Capital	4,616,185	7,221,058
Capital Surplus	<u>34,551,438</u>	<u>35,130,254</u>
TOTAL ACCUMULATED SURPLUS	<u>43,130,748</u>	<u>42,948,614</u>
<i>Proposed transfer to Local Capital</i>	<i>2,700,000</i>	<i>1,000,000</i>
Revised Unrestricted Operating Surplus Balance, pending Board approval	471,752	1,744,479
Revised Local Capital Balance, pending Board approval	<u>7,316,185</u>	<u>8,221,058</u>

Business Committee Meeting – September 13, 2023

After the recommended transfer of \$2,700,000 to Local Capital, two additional items were proposed:

2. Education Assistants - We continue to see a large number of students with additional needs arriving at all schools, and teams are stretched to provide safe support for them. One-time surplus funds will be used to provide additional educational assistant support across the system.
3. ELL Teaching Support - There are increasing numbers of students arriving through the Central Vancouver Island Multicultural Society (CVIMS), many of whom are refugees and may require additional interventions. One-time surplus funds will increase the English Language Learner (ELL) specialist teacher time (school-based) for a number of schools, as well as increasing the district-ELL teacher time (district-based) to provide comprehensive support across the system.

The combined allocation for item #2 and #3 was **\$471,752** which was the unrestricted balance.

Regular Board Meeting – September 27, 2023

The accumulated surplus balance has been adjusted to reflect the correct year-end Indigenous Education Program surplus position. The adjusted amount of \$12,520 reverted to unrestricted surplus and was then applied to items #2 and #3 above, increasing that surplus allocation from \$471,752 to \$484,271. This surplus allocation, as per Policy 2.16, has been inserted under the Reserve for Anticipated Unusual Expenses.

The final Accumulated Surplus Schedule is noted below:

Note 13 Accumulated Surplus		
OPERATING FUND	2022-2023	2021-2022
Accumulated Operating Surplus	8,579,310	7,818,360
<i><u>Restricted Surplus Reserve for Anticipated Unusual Expenses:</u></i>		
Staffing Contingencies	250,000	600,000
Replacement Cost Contingencies	250,000	400,000
2023/24 Staffing Additions for ELL and EA Support	484,271	-
	<u>984,271</u>	<u>1,000,000</u>
<i><u>Restricted Surplus Reserve for Financial Constraints/Targeted Funds:</u></i>		
District Benefit Plans - Premium Balance	2,539,431	2,575,232
Revenue for 23/24 received in 22/23 for ICY Team	717,241	-
Teacher Mentorship Grant	259,621	261,758
Indigenous Education Programs	131,664	415,443
Bargaining/CUPE Table Money Carry-Over	41,020	-
Trustee Professional Development/Travel	19,716	-
Outreach Program	-	55,938
Seamless Day Kindergarten Pilot	-	50,000
Health & Safety	-	17,800
Total	<u>3,708,693</u>	<u>3,376,171</u>
<i><u>Restricted Surplus Reserve for Operations Spanning Multiple School Years:</u></i>		
School Opening Costs - Yr. 1 Operating Costs	600,000	-
School Equipment (Enrolment)	250,000	-
School Supplies	223,356	134,367
Undelivered purchase orders /outstanding obligation at June 30th	100,490	563,343
Active Transportation	12,500	-
Total	<u>1,186,346</u>	<u>697,710</u>
<i><u>Unrestricted Operating Surplus Reserve:</u></i>	<u>2,700,000</u>	<u>2,744,479</u>
Summary of Accumulated Operating Surplus		
Total Internally Restricted Surplus Appropriated by the Board	5,879,310	5,073,881
Total Unrestricted Surplus	<u>2,700,000</u>	<u>2,744,479</u>
Total Accumulated Operating Surplus	8,579,310	7,818,360
CAPITAL FUND		
Investment in Tangible Capital Assets	29,935,253	27,909,196
Local Capital	4,616,185	7,221,058
Capital Surplus	<u>34,551,438</u>	<u>35,130,254</u>
TOTAL ACCUMULATED SURPLUS	43,130,748	42,948,614
<i>Proposed transfer to Local Capital</i>	<i>2,700,000</i>	<i>1,000,000</i>
Revised Unrestricted Operating Surplus Balance, pending Board approval	0	1,744,479
Revised Local Capital Balance, pending Board approval	7,316,185	8,221,058

Appendix A - Surplus Information Sheet August 30, 2023

Appendix B – Surplus Information sheet September 13, 2023