



# BOARD OF EDUCATION

SCHOOL DISTRICT NO. 61 (GREATER VICTORIA)  
556 BOLESKINE ROAD, VICTORIA, BRITISH COLUMBIA V8Z 1E8  
PHONE (250) 475-4106 FAX (250) 475-4112

January 20, 2016

The Honourable Rich Coleman  
Deputy Premier and Minister of Natural Gas Development  
and Minister Responsible for Housing  
PO Box 9052 Stn Prov Govt  
Victoria, BC V8W 9E2

Dear Minister Coleman:

## RE: My Place Transitional Home

There has been recent media coverage related to the My Place Transitional Home that has opened across the street from Central Middle School. The school district has estimated that it could face sudden and unplanned costs of \$43,950 over the next four months because of the homeless shelter being housed in the previously vacant Boys and Girls Club facility. As a result, The Greater Victoria Board of Education is requesting that the Provincial Government and the City of Victoria provide funding to offset these unrelated educational costs.

In the Times Colonist article on January 6, 2016 you are quoted as saying *"If there are any additional costs, they should be covered from the contingency funds that school districts like Victoria set aside as part of their annual budgeting. As of June 30, 2015, the Victoria school district had an operating surplus of close to \$22 million."* This statement causes confusion for the public at a time when our school district is facing a deficit for the coming school year. Our Board would like to provide clarifying information with respect to the referenced \$22 million.

There is a distinction between "surplus" cash which is unencumbered and cash committed but not yet spent. The accounting principles that must be followed when preparing the financial statements do not permit outstanding commitments of any kind at the end of the school year to be included in the expenditure total; however all revenue sources must be included. Consequently, the unspent amounts set aside to fund these commitments result in a positive cash position at the end of the school year. As reported in the Greater Victoria School District audited financial statements for the year ending June 30, 2015, the operating fund had an ending balance of \$21,775,666. This money is committed for the following:

• Secondary, Middle and Elementary Student Supplies Funds	\$ 6,108,287 (Note A)
• Planned Budgeted Surplus to be used in 2015-2016	\$ 8,300,000 (Note B)
• Unspent Aboriginal Targeted Funding	\$ 142,195
• Collective Agreement Contractual Obligations (Pro-D)	\$ 276,351
• Department Carry Forward Funds for On-going Projects	\$ 854,897 (Note C)
• Unspent Grants Dedicated to Specific Purposes	\$ 1,306,413
• Outstanding Purchase Orders	<u>\$ 682,969</u> (Note D)
Total Internally Restricted Funds	\$17,671,112
Total Unrestricted Funds	<u>\$ 4,104,554</u> (Note E)
Total Operating Fund Ending Balance	<u>\$21,775,666</u>

**Note A:** To ensure the efficient utilization of school budgets, unspent funding at the school level at year end is carried forward into the next year's operating budget. This gives schools the opportunity to accumulate balances for new textbooks for curriculum changes; equipment replacement/improvements (eg. teaching kitchens, technology for use in the classroom, shop equipment); and also avoids "year-end buying frenzies".

**Note B:** In order to mitigate the budget reductions required to balance the 2015-2016 budget, the planned budget surplus was approved in the 2015-2016 Annual Budget Bylaw. This money is required to fund expenditures during the 2015-2016 school year, and is currently committed.

**Note C:** Departments that carry forward funding is earmarked to complete unfinished projects. For example, schools send requests to the Facilities Department to have work done at their schools. Funding to complete the work is transferred from the schools to the Facilities Department and is carried forward for any work that is not completed by June 30.

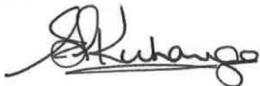
**Note D:** As of June 30, there are outstanding purchase orders for which goods and services have not been received. The budgeted funds for the commitment are carried forward to pay for the goods and services when they are received in the next school year.

**Note E:** The unrestricted funds have been approved by the Board to be applied against the 2016-2017 budget shortfall.

We understand the budget challenges that the Province and school districts continue to face. The Greater Victoria Board of Education continually strives to maximize programs and services for students. Over the past ten years, this Board has closed schools, reduced staffing, cut discretionary budgets, participated in shared services initiatives and worked to develop additional sources of revenue. Our district is carrying a structural deficit of \$8.5 million for the 2016/2017 school year due to the impact of declining enrolment and the fact that funding increases provided by the Ministry of Education have not kept pace with cost pressures. A key strategy for our Board in minimizing the budget and service reductions required to balance the 2016/2017 budget is to apply any cost savings and additional revenues from the current year to help offset the funding shortfall.

I hope that you will agree with us that based on the above explanation, the school district does not have "surplus" cash available in the operating budget. As a governing body entrusted with educating students, we cannot commit our limited funds to unrelated costs.

Yours truly,



Edith Loring-Kuhanga  
Board Chair

cc Board of Trustees

Honourable Minister of Education, Mike Bernier  
Piet Langstraat, Superintendent of Schools  
All BC Boards of Education, c/o BCSTA  
Carole James, MLA Victoria-Beacon Hill  
Rob Fleming, MLA Victoria-Swan Lake  
Maurine Karagianis, MLA Esquimalt-Royal Roads  
Dr. Andrew Weaver, MLA Oak Bay-Gordon Head  
John Horgan, MLA Juan de Fuca  
Lana Popham, MLA Saanich South  
Victoria Confederation of Parent Advisory Councils  
GVSD Unions and Associations  
Media