



NLPS - *Budget and Financial Literacy*
November 2022



Nanaimo Ladysmith Public Schools
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Budget requirements per Ministry of Education:

The majority of a School District's funding comes from the Ministry of Education by way of the annual operating grant, capital funding, and a variety of Special Purpose, or target, funds.

Additional funding flows to the District from international student education tuition, Federal French funding, rentals and lease revenue, and other miscellaneous grants and donations.

Boards of Education are required to prepare a balanced budget where all board revenues plus any appropriated surpluses fully fund the following:

- annual operating expenses,
- annual special purpose fund (SPF) expenses,
- annual capital fund expenses,
- tangible capital asset acquisitions (from Operating, SPF's & Local Capital),
- any planned reduction of prior year's deficits

The Ministry of Education requires all Schools Districts to submit their budgets in the same format, presenting them in three distinct funding categories: Operating Fund, Special Purpose Funds and Capital Funds.

Per section 113 of the *School Act* (Adoption of Budget), Boards must prepare an Annual Budget and have it adopted by bylaw on or before the last business day in June each year which must be submitted to the Ministry by this date. Additionally, Boards must prepare, approve and submit an Amended Annual Budget on or before the last business day in February of each year.

Budget Development

Budget development is guided by the Districts current strategic plan, which defines the key areas of focus as we work together to support student learning in order to achieve our vision of Success for All.

The District's goals and objectives are guided by the four goals of the Board's Strategic Plan:

- Continuous improvement of instruction and assessment
- Safe, caring and healthy learning and working environment that is inclusive of the diversity of our entire learning community
- To be a leader in environment stewardship and sustainability
- Truth and reconciliation

Vision

Courageous, innovative, inclusive and personalized learning community that inspires success for all.

Mission

To educate all students to become confident, curious and caring citizens by creating an inspiring, inclusive and healthy environment to work, learn and play.

Values

Student Centred Accountability, Collaboration, Diversity, Equity, Honesty, Inclusion, Integrity, Mutual Respect, Sustainable, and Transparency.

SYEYUTSUS FRAMEWORK

Truth and Reconciliation is a significant goal of Nanaimo Ladysmith Public Schools (NLPS). The goal of reconciliation was established by the Board of Education in response to Canada's Truth & Reconciliation Calls to Action and is underpinned by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). In partnership, NLPS and Indigenous Knowledge Keepers are committed to continue working together on the journey of reconciliation.

Nanaimo Ladysmith Public Schools commits to honoring the land and using this Framework to guide and inform by:

- Working with our students, staff, Indigenous Knowledge Keepers, and community partner groups in a spirit of respect, courage and vulnerability to bridge together different views and beliefs, in a restorative caring way.
- Providing ongoing and meaningful learning opportunities for all students, staff, and community partner groups.

Budget Development, Preparation and Assumptions

Preparation for the annual budget begins by utilizing the prior year's amended budget as the initial starting point, then, adjustments are made to bring it to a "base budget" by removing one-time revenue and expenditures. Further assumptions and adjustments include those to support contractual and statutory requirements, alignment with forecasted enrolment and confirmed operating grant revenues as well as other revenue and expenditures changes if deemed necessary. In addition, a review of all budget categories is performed to ensure the district has accounted for all known variables, inflation, areas of risk, current year initiatives in support of student education, and any required adjustments to respond to the emergent or strategic needs of the district.

Preparation will include, but is not limited to, updates, adjustments, or assumptions in the following areas:

- Student enrolment projection
- Operating Grant allocations
- Other revenue sources
- International student enrollment and tuition
- Annual Facilities Grant amount
- Capital contributions per Ministry approval
- Removal of prior year's restricted surplus
- Removal of prior year's deferred revenue (Special Purpose Funds)
- Adjust for salary increases per Collective Agreements, employment contracts or Ministry direction
- Replacement and Benefits cost updates
- Technology requirements
- Contractual obligations such as professional development, release time, etc.
- Special Purpose Fund reorganizations to align with current annual operational plans
- Departmental expenditure reorganization per determined needs
- District initiatives/strategies to align with Board goals, objectives, and the operational plan
- Potential expenditure adjustments (+/-) for utilities, supplies, equipment, software, insurance, legal fees, professional development, etc.
- Annual software license fees
- Rentals, leases and community use of facilities estimates
- Cost adjustments for items such as Maternity/ Paternity pay, premiums and allowances
- Adjustments for the NGN contribution, EFB liability, job evaluations and potential grievance/arbitration settlements, etc.

School operating budgets are based on student enrolment, where budgets are rolled from one year to the next, and adjustments are made for projected changes. Departmental budgets are also rolled over from year to year, adjustments are made for costs pressures, educational initiatives or needs, district priorities, board directives, and to align with the current operational plan; available funding is provided accordingly, prioritized by senior management. Once in preliminary form the budget goes to the Board of Education for final approval before being submitted to the Ministry of Education.

Budget Timeline

In accordance with the School Act, school districts must approve a balanced budget and submit it to the Ministry of Education by the end of June each year, and an Amended Annual Budget by the end of February each year. Below is an example of a Budget Timeline for a fiscal year.

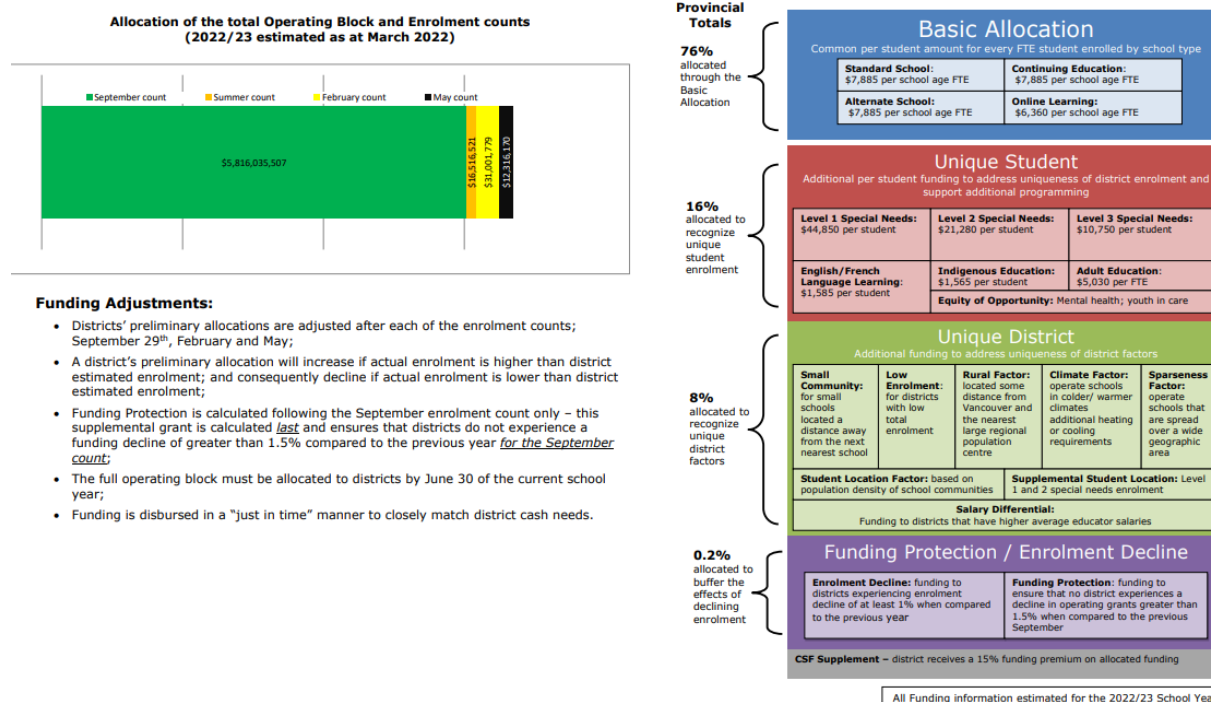
- September** Financial Statements presented to and approved by the Board
1701 Student Data Collection
- Oct/Nov** Preliminary Departmental discussions on coming year's budget
Quarterly Report (Q1) presented to the Board.
- December** Ministry of Education provides confirmed Operating Grants based on 1701 Student Data
- January** Operating Grant update provided to the Board per December MOE confirmation
Amended Annual Budget finalized per MOE funding confirmation
Enrolment Estimate process for next year begins
Departmental discussions on coming year's budget continue
Stakeholder discussions on coming year's budget begin
- February** Amended Annual Budget presented to and approved by the Board (Q2 report included)
Enrolment estimates finalized for Ministry submission
Enrolment update provided to the Board
Community/stakeholder engagement process for upcoming budget determined and started
Thought Exchange goes out to public
- March** Ministry announces Preliminary Operating Grants for coming year based on projected Student enrolment – Board receives update
Budget creation begins
Community engagement process begins, includes Stakeholders, Students, First Nations and Partner groups
Departmental budgets finalized per confirmed funding levels
- April** Community engagement process concludes
Proposed Preliminary Annual Budget is completed, and a high-level summary is provided to Board/Public
- May** Proposed Preliminary Annual Budget is presented to the Board
Stakeholder presentations take place
Quarterly Financial Report presented to the Board (Q3)
Final Budget discussions take place
Preliminary Annual Budget is finalized, presented to and approved by the Board

DISTRICT REVENUES

Ministry of Education – Operating Grant

General operating grants are provided by the Ministry of Education to each of the school districts within the province. Grants are based on each district’s projected student enrolment, which must be prepared and submitted to the Ministry mid-February per annum and are then updated based on actual enrolment data collected throughout the school year. In addition to basic student allocations, districts may be entitled to other supplements and factors if applicable to their district under the funding parameters, which are summarized below.

Overview of the 2022/23 Operating Grant Allocation Formula



Enrolment Projections

The Ministry of Education requires that all School Districts in British Columbia provide a 3-year enrolment estimate, due each year in mid-February. First year figures are used to calculate and allocate the districts estimated operating grant for the upcoming school year, which is announced in mid-March. Second- and third-year estimates are used to facilitate provincial budgeting and financial planning.

Ministry of Education collects student data from all districts on September 29 of each year where any variances from the preliminary enrolment projections are adjusted on the recalculated operating grants, which are announced in December.

Funding levels may be increased or decreased depending on the accuracy of the district’s enrolment projections; any associated changes in revenue are included within the amended annual budget, due to the Ministry each February.

The district’s approach to enrolment projections is to consider all available and relevant information, to be conservative in order to avoid preliminary overfunding but to ensure that the calculated estimates provide sufficient supports for students and District operations.

Enrolment projections are estimated using data provided by Baragar Systems, a K-12 Software Solution, historical student enrolment trends, kindergarten registrations and relevant stakeholder and local knowledge; the district’s most recent 3-year projection is below.

Operating Grant – District Allocation (September Count)

Nanaimo Ladysmith Public Schools - 3 Yr Enrolment Projection (Feb 15, 2022)	Actual Oct 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25
SEPTEMBER ENROLMENT - School - Age Basic Allocation				
K FTE	1041.000	1041.000	998.000	1027.000
Gr. 1 FTE	1100.000	1077.000	1088.000	1028.000
Gr. 2 FTE	1063.000	1121.000	1107.000	1106.000
Gr. 3 FTE	1109.000	1103.000	1167.000	1133.000
Gr. 4 FTE	1108.000	1120.000	1116.000	1170.000
Gr. 5 FTE	1150.000	1141.000	1157.000	1134.000
Gr. 6 FTE	1120.000	1178.000	1177.000	1178.000
Gr. 7 FTE	1152.000	1158.000	1216.000	1204.000
Sub Total	8843.000	8939.000	9026.000	8980.000
Gr. 8 FTE	1129.875	1145.000	1166.000	1231.000
Gr. 9 FTE	1154.375	1113.000	1152.000	1150.000
Gr. 10 FTE	1015.375	1144.090	1126.740	1145.040
Gr. 11 FTE	1065.063	987.120	1144.670	1107.660
Gr. 12 FTE	822.625	984.180	988.090	1116.060
Sub Total	5187.313	5373.390	5577.500	5749.760
K-12 FTE Total	14030.313	14312.390	14603.500	14729.760
Career Tech (CTC)	82.062	81.225	80.000	80.000
K-12 Regular Schools	14112.375	14393.615	14683.500	14809.760
CE (School Age) FTE	0.000	0.000	0.000	0.000
Alternate Schools FTE	289.000	295.000	295.000	295.000
Distributed Learning (K-9) FTE	313.500	300.000	300.000	300.000
Distributed Learning (10-12) FTE	53.000	55.225	55.000	55.000
Sub Total	655.500	650.225	650.000	650.000
Grand Totals - Sept Basic Student Funded FTE	14767.875	15043.840	15333.500	15459.760
<i>Change in Basic Student Enrolment</i>	<i>412.260</i>	<i>275.965</i>	<i>289.660</i>	<i>126.260</i>
SEPTEMBER ENROLMENT - Unique Student Needs				
Level 1 Special Needs FTE	17.000	16.000	15.000	15.000
Level 2 Special Needs FTE	534.000	510.000	520.000	530.000
Level 3 Special Needs FTE	223.000	225.000	235.000	245.000
English Language Learning FTE	909.000	885.000	900.000	915.000
Indigenous Education FTE	2469.000	2400.000	2450.000	2500.000
Adult Education FTE (Non-Graduates only)	2.875	2.500	2.500	2.500
Total Adult Education Funded FTE	2.875	2.500	2.500	2.500
<i>Change in Adult Education Funded FTE</i>	<i>-1.625</i>	<i>-0.375</i>	<i>0.000</i>	<i>0.000</i>
Total Change in September Funded FTE	410.635	275.590	289.660	126.260
Total FTE for September Operating Grant	14770.750	15046.340	15336.000	15462.260

As indicated, the districts projected student enrolment is collected by Ministry who then allocate funding per the Funding Allocation System which is then provided to district for their preliminary annual budget, once recalculated in the fall, funding is updated based on actual student enrolment where any applicable changes are reflected in the annual amended budget.

The districts 2021/22 preliminary or estimated operating grant, based on projected student enrolment, is as follows:

Estimated Operating Grants - 2022/23 School Year
School District 68 Nanaimo-Ladysmith

September 2022 Enrolment Count					July 2022 Enrolment Count				
	School-Age Enrolment	Funding Level	Funding	Total Supplement		Enrolment	Funding Level	Funding	Total Supplement
Standard (Regular) Schools	14,393.6150	\$7,885	\$113,493,654		Summer Learning Grade 1-7	0	\$224	\$0	
Continuing Education	0.0000	\$7,885	\$0		Summer Learning Grade 8-9	0	\$224	\$0	
Alternate Schools	295.0000	\$7,885	\$2,326,075		Summer Learning Grade 10-12	0	\$448	\$0	
Online Learning	355.2250	\$6,360	\$2,259,231		Supplemental Summer Learning Funding			\$0	
Home Schooling	83	\$250	\$20,750		Cross-Enrolment, Grade 8 and 9	0	\$448	\$0	
Course Challenges	4	\$246	\$984		Summer Learning, Total			\$0	\$0
Total Enrolment-Based Funding (September)	15,043.8400			\$118,100,694					
February 2023 Enrolment Count					February 2023 Enrolment Count				
	Total Enrol. Change	Funding Level	Funding	Total Supplement		Enrolment	Funding Level	Funding	Total Supplement
1% to 4% Enrolment Decline	275.9650	\$3,943	\$0		School-Age FTE - Continuing Education	0.0000	\$7,885	\$0	
4%+ Enrolment Decline		\$5,914	\$0		Adult FTE - Continuing Education	4.0000	\$5,030	\$20,120	
Significant Cumulative Decline (7%+)	483.1250	\$3,943	\$0		K-Gr 9 School-Age FTE - Online Learning	30.0000	\$3,180	\$95,400	
Supplement for Enrolment Decline				\$0	Gr 10-12 School-Age FTE - Online Learning	116.0000	\$6,360	\$737,760	
					Adult FTE - Online Learning	4.0000	\$5,030	\$20,120	
	Enrolment	Funding Level	Funding	Total Supplement	Level 1 Special Needs Enrolment Growth	0	\$22,425	\$0	
Level 1 Special Needs	16	\$44,850	\$717,600		Level 2 Special Needs Enrolment Growth	10	\$10,640	\$106,400	
Level 2 Special Needs	510	\$21,280	\$10,852,800		Level 3 Special Needs Enrolment Growth	5	\$5,375	\$26,875	
Level 3 Special Needs	225	\$10,750	\$2,418,750		Newcomer Refugees	0.0000	\$3,943	\$0	
English Language Learning	885	\$1,585	\$1,402,725		ELL Supplement - Newcomer Refugees	0	\$793	\$0	
Indigenous Education	2,400	\$1,565	\$3,756,000		February 2023 Enrolment Count, Total				\$1,006,675
Adult Education	2,5000	\$5,030	\$12,575						
Equity of Opportunity Supplement			\$853,479		May 2023 Enrolment Count				
Supplement for Unique Student Needs				\$20,013,929		Enrolment	Funding Level	Funding	Total Supplement
					School-Age FTE - Continuing Education	0.0000	\$7,885	\$0	
Variance from Provincial Average	\$676				Adult FTE - Continuing Education	2.0000	\$5,030	\$10,060	
Estimated Number of Educators	835.908		\$565,074		K-Gr 9 School-Age FTE - Online Learning	15.0000	\$2,120	\$31,800	
					Gr 10-12 School-Age FTE - Online Learning	74.0000	\$6,360	\$470,640	
					Adult FTE - Online Learning	2.0000	\$5,030	\$10,060	
					May 2023 Enrolment Count, Total				\$522,560
FTE Distribution	15,046.3400	\$180.33	\$2,713,306		2022/23 Full-Year Estimated Total				
Supplement for Salary Differential				\$3,278,380					\$146,548,774
Supplement for Unique Geographic Factors				\$3,493,625					
Funding Protection				\$0					
Curriculum and Learning Support Fund				\$132,911					
September 2022 Enrolment Count, Total				\$145,019,539	Estimated 2022/23 Operating Grant from Indigenous Services Canada				\$1,384,606
					Estimated 2022/23 Operating Grant from Ministry of Education				\$145,164,168

March 2022

Once the September 30 data collection has been submitted and processed by the Ministry of Education funding levels will be increased or decreased depending on student numbers; confirmation of any changes, plus any adjustments to funding levels if applicable, will be provided in December.

Other Funding Sources (Operating Fund)

Aside from the operating grant, districts receive funding from the Ministry of Education for a variety of targeted programs or purposes. Monies also flow from other sources; these may vary in amount and frequency.

The following are some funding examples that Nanaimo Ladysmith Public Schools can expect to receive throughout the school year:

- Local Education Agreement Funding
- Student Transportation Grant
- Pay Equity Funding
- Industry Training Grants
- International Student Education Tuition
- Conseil Scolaire Francophone (CSF) Funding
- Cafeteria Revenue
- BC Hydro Energy Grant
- Rentals, Leases and Community Use of Facilities
- Investment Income
- Miscellaneous Grants/Donations

Special Purpose Funding

Special Purpose funds are separate funding envelopes provided by the Ministry of Education or other third-party sources for particular programs, functions or activities. These individual funds have restrictions as to how they may be spent so revenues and expenditures are tracked separately. In addition, each fund has reporting requirements either annually, semi-annually or subject to contract specifications.

Where applicable, surplus balances at the end of each year or purpose are either returned back to the funding party, or in the case of a Ministry program, are deferred to the next fiscal year.

Funds applicable to Nanaimo Ladysmith Public Schools may include, but are not limited to:

- Annual Facility Grants (AFG)
- Learning Improvement Fund (LIF)
- Special Education Equipment Grants
- Aboriginal Education Technology Grants
- CommunityLINK Grants (LINK)
- Official Languages in Education French Programs (OLEP) Grants
- Strong Start Centre Grants
- Ready Set Learn Grants
- Classroom Enhancement Fund
- School Generated Funds
- First Nation Student Transportation Fund
- Mental Health in Schools Grants
- Other Funds as provided per annum

Departmental Budgets

Once the overall district revenues and expenses have been confirmed and allocated in support of ongoing operations, departmental budgets are confirmed.

This process begins with an analysis of the prior year allocation where any necessary changes are made if required due to inflation, legislation, contractual obligations, programming or service level adjustments, and any other known cost pressures.

Further resources are fully contingent on surplus funds not yet allocated within budget. If such surpluses exist, these funds may be provided, in priority order, per the districts guiding principles. Request for increased resources must be made at the start of the new year's budget process so they may be compiled, with other competing requests, and priority order may be established. Once finalized, department heads are provided verification of their resource levels so they may put their annual operational plans in place. The following is an example of what a departmental budget might look like per this process:

Departmental Budget EXAMPLE - Current Fiscal Year	
Total Resource Allocation from District Budget	1,000,000
Expenses	
1 Department Head	125,000
2 Excluded Staff	200,000
6 CUPE Support	342,000
1 CUPE Administration	50,000
Benefits	179,250
Replacement Costs	28,680
Contractual supports (Pro-D, Dues/Fees)	40,000
General Supplies (Phone, Copier, office)	30,000
Professional Services	5,070
Total Expenses	1,000,000
Net Revenue/Expense	-

Departmental Budget EXAMPLE - Upcoming Fiscal Year	
"Status-Quo" Resource Allocation from District Budget	1,000,000
Expenses - Adjusted for salary/benefit increases and other known inflations or cost pressures.	
1 Department Head	127,500
2 Excluded Staff	204,000
6 CUPE Support	348,840
1 CUPE Administration	51,000
Benefits	182,835
Replacement Costs	29,254
Contractual supports (Pro-D, Dues/Fees)	42,000
General Supplies (Phone, Copier, office)	31,000
Professional Services	6,000
Total Adjusted Expenses	1,022,429
Shortfall from prior year allocation	(22,429)
Increased Resource Allocation from District	22,429
Upcoming year's adjusted Next Revenue/Exp	0

As noted, changes required by this department, and/or by other departments in the district, would increase expense levels and associated resource allocations required. Where a department wished resources in excess of these basic increases, surplus funds at the district level would be necessary. Where surplus funds were not available, cuts in service or supply levels would need to be considered.

District Expenditures

Staffing and benefits costs are the Districts largest expenses at approximately 89.3% of the overall Budget which leaves 10.7% to fund supplies and services necessary to support district operations. The supplies and services category includes school operating allocations, contractual obligations such as professional development, the maintenance of district grounds and facilities not covered by Ministry Capital, equipment repair and replacement, technology maintenance and upgrades, contractual costs for online learning and administrative platforms, district utilities, and other associated operating costs.

Special Purpose Funds are provided for particular programs and initiatives, so all revenues received are allocated out to cover relevant expenses which the majority of which are staffing and benefits.

Capital and Local Capital funds are targeted to projects identified in our 5-year Capital Plan, approved by the Ministry of Education, or those established by our Board of Education in our Long-Range Facilities Plan. Capital costs include amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of an assets. Cost also includes overhead directly attributable to construction as well as interest costs directly related to the acquisition or construction of an asset.

School-Based Operating Budgets

School Operating Budgets are provided by per student enrolment for cost items such as general supplies, IEP release, phone and copier, equipment, learning resources, and medical supplies. The overall budget allocation is then set up with corresponding expense accounts. Administrators have discretion to move funds between expense accounts to best suit school needs. It is important to note that Budgets are rolled forward each year so expenses may not reflect current year school plans, goals or initiatives, therefore budgets should and can be moved or redistributed to better support planned expenditures.

Any applicable year-end balances, to a maximum set by the district, are carried forward and restricted for use in the next fiscal year. These amounts are allocated out to schools in early October, once the Financial Statements have been approved by the Board of Education.

School-based staffing is provided at the district level where allocations may be formula, program or needs based. Each year staffing is determined and provided by mid-April in order to plan for the coming school year, as well as meet contractual obligations. Shifts and changes to preliminary allocations may be necessary due to a variance from projected student enrolment or other unforeseen reasons, such as a global pandemic or natural disaster. Any applicable changes are communicated through the appropriate channels and updated on staff allocation sheets; adjustments are made accordingly.

School-Based Operating and Staffing Allocations:



Operating Budgets are provided through multiple allocations, factors, and formulas, where schools receive an average of \$100/student. However, the most significant variance by school will be due to the number of special needs students as there are additional supportive supplements for these students.

Operating dollars flow to schools under some of the following heading;

- Medical Supply Allocation
- Elementary/Secondary Supply Allocation
- Photocopier Allocation
- Equipment Allocation
- School Resource Allocation
- IEP Allocation (Individual Education Plan)
- Education Planning Allocation
- Restricted Surplus (YE School roll over balances)
- * Additional allocations may be applicable over the school year (ie: inquiry grants, etc.)*

Staffing Allocations are also allocated through a variety of formulas and factors of which a general summary is outlined below.

Staffing Category

Administration Elementary	0-349 students - 1.00 FTE
	350-399 students - 1.20 FTE
	400-449 students - 1.30 FTE
	450+ students - 1.40 FTE
Administration Secondary	This is formula driven to a max of 3 FTE. However, if formula provides for 1.75 FTE, for example, it would be increased to 2.0 FTE to make each AO whole
Secondary School Teacher Staffing	Formula of 25:1 ratio/Students to Educator
Elementary School Teacher Staffing	Site based per Class Size and Composition language
Education Assistants	Budget provides a bank of hours for each funded designation An additional bank of hours is provided by the District for designations that do not trigger Ministry Funding. The allocation of hours for each site is provided through Learning Services; per determined needs.
Supervision Aides	Formula provides for 1 position per 120 students/min of 2 positions, per site
Clerical Elementary	<u>Formula</u> Less than 220 students 30.0 Hours per wk. 220 - 279 students 35.0 Hours per wk. 280 - 339 students 40.0 Hours per wk. 340 - 399 students 45.0 Hours per wk. 400+ students 50.0 Hours per wk.
Secondary Clerical	Site specific (to a max of 175 hours)

Allocations for staffing categories such as Library, Counselling, SST, ELL, Learning Leader, Cafeteria, and other specialized supports are either provided through formula, collective agreement requirements, or determined at the District level, so not listed below. This level of detail can be provided upon request.

Financial Management

Financial management includes planning, organizing, and allocating resources in support of district operations, analysing all financial activities in order to confirm the proper utilization of funds, accurately reporting financial transactions, and as well ensuring there are monitors and controls in place to protect the district's financial resources and account for the use of public funds.

As previously indicated, there are three distinct funding categories that must be accounted for, and reported on separately which are the Operating, Special Purpose and Capital Funds.

Within the Special Purpose category there are multiple funds that require individual accounting, tracking and reporting in order to monitor the appropriate use of funds as well as describe key deliverables, outcomes and program structures. Such reporting allows the Ministry or other funding parties to align program parameters, supports and funding levels with determined needs.

In order to isolate, track and control financial activity associated with each of these funds the district adheres to directive from the Ministry of Education, where there are specific categories, programs, projects and functions that costs must be allocated to. This accounting practice, followed by all 60 school districts in the Province, allows the Ministry to consolidate financial information for budgeting and financial planning purposes.

Schools generally have to account for multiple funds which would include the Operating Budget and the Aboriginal Education Budget, but may also include a budget for StrongStart, Ready Set Learn, or other Special Purpose Funds, depending on the programs offered at each location. District departments vary in their fiscal responsibility depending on their function.

The finance department has a Financial Practices Handbook available for reference, as well, training and guidance is available for all those responsible for budget centres, in order to ensure the correct recording of transactions per Ministry Guidelines, acceptable spending levels and expenditures for each fund, and the continued monitoring of actuals against budgeted allocations to ensure adequate resourcing over the fiscal year, without exceeding budget.

Financial Reporting

The Ministry of Education requires school boards to account fully for how they manage and spend the government's education funding. Districts must report financial information on a quarterly schedule, as well as provide year-end audited financial statements, which must receive Board approval and then be submitted to the Ministry, by September 30th.

School District Financial Reporting monitors school board accountability by ensuring that boards of education are meeting their legislated and government policy-based financial responsibilities which includes submitting school district budgets and financial reports on time. As well, that school district budgetary information and financial information are available, comparable and audited.

Year-End Surplus – Operating Fund

At the end of each fiscal year, there may be an ‘annual’ operating surplus if total revenues received exceeds total expenses paid.

‘Accumulated’ operating surplus represents the extent to which operating revenues from all previous years exceeds operating expenditures from all previous years.

Operating surplus provides the district with the ability to plan and sustain services over time and to provide one-time services that would not otherwise be affordable within the current budget. It is also important to recognize that operating surpluses are one-time funds and cannot be used to sustain a district’s ongoing operations.

Where operating surpluses exists, reserves will be created to protect the District from unforeseen circumstances, in accordance with Board Policy and Administrative Procedure. The policy provides for different categories and levels of annual operating surplus, which are generally restricted for particular one-time initiatives, projects or programs. Any surplus dollars that are not targeted become the unrestricted reserve, able to be utilized for emergent needs or where unforeseen events require financial support.

Any applicable restrictions or allocation of surplus monies is to be recommended and presented to the Board of Education for approval and subsequent allocation to the next year’s budget.

Year-End Surplus – Special Purpose Funds

Funds provided by a third party are targeted or restricted for a designated purpose, function or activity. Funding parties may require that unspent, year-end balances, be returned, or they may be retained (deferred) for use in the next fiscal year, for the same purpose they were originally provided. Each Funding Agreement outlines the program spending, reporting, and year-end accounting requirements.

Capital Funding and Management

Ministry of Education requires that boards of education prepare and submit a 5-year capital plan, which is subsequently updated each year to account for emergent needs, changes in student enrolment, asset degeneration, etc. The capital plan must set out particulars for each capital project that a board proposes to undertake during a specific period, as well as include an estimate of the capital funding that would be required for each proposed project.

The capital plan submissions from boards of education are used by the Ministry of Education to determine which priority capital projects may be included in the Ministry's Capital Plan for the following fiscal year. The capital plan submissions also provide the Ministry with important insight into future year capital priorities, which can be used for longer term government planning and the determination of potential future capital funding requirements for the public education system.

Capital funding from the provincial government covers, where approved, most of the capital costs for site acquisition, new school construction and school additions or renovations as well as various capital programs for expansions, seismic mitigation, risk management services, bus purchases and maintenance to extend the useful life of school buildings around the province.

The Board of Education is also expected to have a Long-Range Facilities Plan (LRFP) in place for its school district that outlines management strategies for its inventory of capital assets in support of educational programming goals.

Each year, from needs identified in the 5-year Capital Plan, districts are provided with an Annual Funding Agreement that lists the approved projects and associated funding levels, along with the contractual obligations required under the agreement.

In addition to the Annual Funding Agreement, Ministry may allocate additional capital resources in a given year if they are available, provided a district has a Project Definition Report that substantiates and outlines the proposed use of the funds.

Once funding has been approved, the district will prioritize the projects based on needs and the capacity of internal forces. Projects will be set up in the financial system and accounted for according to the scope definition report, and costs are continually tracked to ensure they don't overrun estimated costs.

Local Capital Funding

Local capital is mainly funded from the District's portion of the sale of surplus properties and through transfers from the Operating Fund. Transfers from the Operating Fund are routinely budgeted to cover capital equipment costs such as the annual technology plan and the vehicle replacement program. Other capital expenditures may require further transfers from the Operating Fund during the year.

Limited surplus properties mean that future Local Capital resources will be contingent on transfers from the Operating Fund. The district's long-range facilities plan, along with identified future or emergent needs will guide these decisions.

The current Local Capital reserve, although it may shift and change if emergent needs arise, has been set aside for multiple projects, which includes the following:

- Hammond Bay Expansion
- District Wi-Fi Initiative
- Technology
- Asset Management
- Vehicle Replacement
- PA/Phone System Upgrades
- Electronic Bus Power System Upgrade
- Dufferin Renovation
- Child Care Space Application
- Accessibility Projects
- Enrolment Growth Space Needs
- Unforeseen Emergent Need Reserve