

Accountability Topic: Utilization of Reserves & Budget Development

Date of Board Meeting:

March 30, 2023

Strategic Priority:

- High Quality Teaching and Learning
- Engagement of All Students, Families, and Communities
- Effective Policy and Procedures
- Healthy, Sustainable Physical & Social Environments

Quality Indicator(s) (if applicable):

- QI 4.1 Developing budgets following the Board's budget framework and aligned with the Division's Strategic Plan.
- QI 4.5 Ensuring that all accounts adhere to policy and funds are used for the intended purpose.
- QI 4.9 Developing long-term financial plans to ensure division sustainability in areas such as Preventative Maintenance and Renewal and capital plans.
- QI 8.1 Developing the Strategic Plan, budget, and operational actions according to timeline ensures the Board's ability to provide direction and oversight.
- QI 8.5 Working collaboratively with the Board to mitigate high-impact risk areas.

Key Measures:

- Audited Financial Statements
 - Schedule F
 - Note 13
- 5-year capital plans
- YTD financial updates and review
- Budget Forecasting

Targets:

- Balanced Budget with transparency
- Unqualified opinion from the Auditor
- Adherence to Ministry timelines

Data:

- The utilization of school division reserves and budget development is an important aspect of financial management in education. Reserves are set aside for unexpected expenses, emergencies, and future projects. Reserves can be used to help balance budgets, make capital improvements, or cover unexpected costs.
- In terms of budget development, the process often involves gathering input from various stakeholders, analyzing financial data and projections, and making decisions about allocating resources.
- Some key considerations for utilizing reserves and developing budgets include:
 - Identify top priorities and allocate resources accordingly. This may involve investing in key programs or initiatives, addressing critical infrastructure needs, large capital purchases, and staffing.

- Consider both existing revenue streams and potential sources of additional revenue when developing budgets. This involves examining operational grant funding from the ministry and exploring grant opportunities.
- Closely examine costs and expenses when developing budgets. This involves analyzing staffing levels and salaries, assessing operational expenses, capital purchases, and reviewing facility needs.
- Build flexibility into budgets to allow for unexpected expenses or changes in enrollment or staffing levels. This involves setting aside reserves or developing contingency plans.
- Overall, effective utilization of reserves and budget development requires a strategic approach that considers each school community's unique needs. By prioritizing key programs and initiatives, assessing revenue streams and expenses, and building in flexibility, school divisions can create budgets that meet the needs of their students, staff, and community while ensuring long-term financial stability.

Key Strategies Employed:

- Board Development Framework is followed when making budget decisions.

Board of Education Budget Development Framework
2023 - 2024
STUDENTS COME FIRST

Building Strong Foundations to Create Bright Futures
Learning Without Limits...Achievement For All

HOW ARE WE FUNDED?
The Government of Saskatchewan determines the funding available to school divisions each year. The primary driver for funding is projected enrolment levels established in January before upcoming academic year. Boards of Education are given the responsibility to allocate funding in an equitable and transparent manner that reflect the principles, priorities and commitments adopted by the Board of Education.

WHAT ARE OUR PRIORITIES?
Advocacy & Relationship Building—The Board of Education and Administrative Council will conduct targeted advocacy sessions with the Ministry of Education and the Provincial Government seeking sustainable funding. GSSD will utilize its place within provincial organizations like the Saskatchewan School Boards Association, Public Section, LEADS, and the Provincial Education Plan Implementation Team to highlight the need for predictable and sustainable education funding. GSSD will also actively explore partnerships and relationships with stakeholders to expand funding sources and influence our vision of building strong foundations to create bright futures.
Principled Decision Making—The Board of Education and Administrative Council will make decisions by measuring decisions against GSSD's values of belonging, respect, responsibility, learning, nurturing, perseverance, and diversity.
Expenditure Review & Continuous Improvement—The Board of Education and Administrative Council will support processes and practices that allow for the critical review of expenditures for cost efficiencies in operational, administrative, instructional, and governance lines. Metrics will be used to review the effectiveness of current spending with an eye on continuous improvement.
Equitable & Transparent Staffing—The Board of Education and Administrative Council support the concept of equity and transparency of staff allocations at the division and school levels. Staffing equity will be achieved and maintained by considering schools' Pupil-Teacher Ratios (PTRs). Core-instructional staff will also be another metric used to ensure equity. Consideration will be given to grade configurations, multi-grade classrooms, and the diversity of students and communities when making staffing decisions. Consultation and communication with in-school administration and the School Community Councils will be critical features of the staffing process.
Targeted supports for Indigenous & Students in vulnerable Circumstances—The Board of Education and Administrative Council are mindful of the significance and urgency of the Truth and Reconciliation Calls to Action related to education and the steps towards repairing our relationship with Indigenous communities. With the targets established by the PEP, GSSD is compelled to continue to work with the First Nations within our borders to enhance educational outcomes for Indigenous students. GSSD will also provide targeted support and interventions for all students in vulnerable circumstances.
Maximizing the Impact of the Division's Strategic Plan—The Board of Education and Administrative Council is aware of the importance of our Aspirational Statements: High-Quality Teaching and Learning, Engagement of All Students, Families, and Communities, Effective Policy and Procedures, Health, and Sustainable Physical and Social Environments. GSSD understands the need to align our work with the six strategies in the PEP: responsive, relevant, and student-centred curriculum, development of trusting relationships, equity throughout the education sector, cultivation of leadership throughout the education sector, and proactive strengths-based approaches are taken.

WHAT ARE WE ABOUT?
GSSD ASPIRATIONAL STATEMENTS
High Quality Teaching and Learning

- Provincial curricula and related resources that are developmentally appropriate and culturally responsive.
- Employ play-based learning experiences that support a sense of personal competency, self-efficacy, and social responsibility; and,
- A wide range of opportunities to learn, practice, experience and demonstrate understanding, confidence, and motivation for a healthy and balanced life.

Engagement of All Students, Families, and Communities

- Efforts are aligned to promote student, family, staff and community health and well-being.
- School Community Councils and First Nations Education organizations are involved in School Level Plans.
- School Leadership values cooperation, effective interpersonal communication and shared decision making.
- Schools, families, and communities engage in ongoing discussions and shared efforts to promote and support the health and well-being of staff, students, and the community; and,
- Reciprocal relationships share resources and services within the school and community.

Effective Policy and Procedures

- Protocols for collaboration on policy development and related protocols practices for health and well-being.
- Ongoing evaluation and monitoring of needs and effectiveness of efforts to improve well-being.
- Promising practices that enhance and well-being; and,
- Clear practices, procedures, protocols and regulations regarding health and safety in children and youth (e.g., nutrition, anti-bullying, physical activity, pandemic planning, air quality).

Healthy, Sustainable Physical and Social Environments

- Access to and support for healthier options.
- A welcoming, caring, and inclusive environment.
- Healthy relationships among and between students, staff, and the community.
- Responsive and inclusive leadership of students, staff, and community.
- Relationships that influence and are influenced by families, cultural perspectives, and the community.
- Modern, responsible infrastructure to maintain and promote the highest levels of support for students, staff, families, and the community.
- Systems that ensure buildings, grounds, transportation, and technology are built and maintained not only to current standards, but that practices and procedures are in place to plan for a strong, vibrant future.
- Proactive, innovative approaches to sustain, support and grow Division facilities and systems.
- Efficiencies, both internally and externally, to ensure appropriate resources are targeted to our key areas including facilities, transportation, and technology.
- Strategies to use the school buildings and grounds, materials, equipment, and routes to and from the school to enhance well-being of staff, students, and the community; and,
- Informal role modelling, peer support, nurturing families, and safe communities.

- Administration reviews reserve balances during the year-end process. Recommendations are provided to the Board of Education whether to draw from reserves or to transfer funds from unrestricted surplus.
 - Administration will develop and follow Administrative Procedure for Accumulated Surplus from Operations as recommended by the SASBO Operational Reserves Committee.
- Financial updates are provided to the Board during each meeting within the Director's Report. Variances of concern are discussed along with mitigation plans.
- Admin Council budget managers review annual expenditures throughout the year. Budget savings are identified and used for additional pressures through the consensus of the group.
- Disposal of assets:
 - Assets at the end of useful lives are typically disposed of annually. Examples include buses and technology hardware most commonly sold at public auction.
 - [Administrative Procedure 519 – Disposal of Property](#)
- Schedule F within the Audited Financial Statements detail the internal and external reserve balances:

Good Spirit School Division No. 204

Schedule F: Detail of Designated Assets
for the year ended August 31, 2022

	August 31 2021	Additions during the year	Reductions during the year	August 31 2022
	\$	\$	\$	\$
				(Note 13)
External Sources				
Jointly Administered Funds				
School generated funds	1,697,267	88,402	26,147	1,759,522
Fitness Centre, Kidsfirst, PPEP	93,545	200,122	156,275	137,392
Total Jointly Administered Funds	1,790,812	288,524	182,422	1,896,914
Ministry of Education				
Designated for tangible capital asset expenditures	45,000	-	-	45,000
PMR maintenance project allocations	4,464,947	2,307,239	2,456,662	4,315,524
Federal Capital Tuition	499,889	-	499,889	-
Education Emergency Pandemic Support program allocation	1,146,063	-	1,146,063	-
Unified Student Information System - USIS	72,638	-	59,137	13,501
Total Ministry of Education	6,228,537	2,307,239	4,161,751	4,374,025
Total External Sources	8,019,349	2,595,763	4,344,173	6,270,939
Internal Sources				
Board governance				
Elections	50,000	-	-	50,000
Total Board governance	50,000	-	-	50,000
Curriculum and student learning				
Instructional Resources	50,000	100,000	-	150,000
School Budget Carryovers	592,717	431,919	592,717	431,919
Total curriculum and student learning	642,717	531,919	592,717	581,919
Facilities				
YRHS Flood	100,000	-	-	100,000
Anne Portmuff Theatre	1,499	-	-	1,499
Risk Management & Security	11,299	-	-	11,299
Total facilities	112,798	-	-	112,798
Information technology				
Technology Resources	1,600,000	2,000,000	543,503	3,056,497
Total information technology	1,600,000	2,000,000	543,503	3,056,497
Transportation				
Bus Purchases	1,627,132	3,500,000	-	5,127,132
Total transportation	1,627,132	3,500,000	-	5,127,132
Total Internal Sources	4,032,647	6,031,919	1,136,220	8,928,346
Total Designated Assets	12,051,996	8,627,682	5,480,393	15,199,285

Risk Assessment:

Impact Categories	Insignificant	Minor	Moderate	Major	Catastrophic
Financial	Financial impact of the event is less than \$50,000	Financial impact of the event exceeds \$50,000, but less than \$150,000	Financial impact of the event exceeds \$150,000, but is less than \$250,000	Financial impact of event exceeds \$250,000, but is less than \$500,000	Financial impact of the event exceeds \$500,000
Comments & Mitigation Strategy	Administration follows the budget development framework and regularly reports financial updates throughout the year. When preparing financial statements, GAAP is adhered to.				
Reputational	One negative article in a publication	Negative articles in more than one publication	Short term negative media focus and concerns raised by stakeholders	Long term negative media focus and sustained concerns raised by stakeholders	Stakeholders lose faith in management or Trustees
Comments & Mitigation Strategy	Internal controls are in place to reduce any risk of fraudulent activities.				
Managerial Effort/Capacity	Impact can be absorbed through normal activity	Some management effort is required to manage the impact	Can be managed under normal circumstances with moderate effort	With significant management effort, can be endured	Potential to lead to the collapse of the organization
Comments & Mitigation Strategy	Ongoing review of financial information throughout the year. Regular financial updates provided to the Board of Education. Quarterly Ministry forecasting is completed and submitted.				
Government Relations	Routine ministerial inquires	In-depth ministerial inquires	Concerns raised by Ministry of Education	School division's ability mandate is questioned	Ministry of Education loses faith in the organization
Comments & Mitigation Strategy	Attend all Ministry webinars and Q & A sessions. Follow guidelines set out by the Ministry of Education and <i>the Education Act</i> .				
Legal	Legal action threatened	Civil action commenced/small fine assessed	Criminal action threatened/moderate fine assessed	Criminal lawsuit commenced/significant fine assessed	Jail term of any length for a Trustee/Director; multiple significant fines assessed
Comments & Mitigation Strategy	N/A				
Student Outcomes	Immaterial impact on student achievement	Student achievement metrics begin to show a decline	Parental complaints submitted related to student achievement	Overall student competency levels are below standards	Inability to satisfactorily deliver curriculum or key programs

Comments & Mitigation Strategy	N/A
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Likelihood The likelihood of identified risks is to be assessed by estimate the probability of the risk occurring during the planning horizon.				
Rare	Unlikely	Moderate	Likely	Almost Certain
Extremely rare in the sector. Once in more than 10 years at the school division.	Has occurred occasionally in the sector. Once in 5 to 10 years at the school division.	Periodic occurrence in the sector; possible occurrence. Once in 3 years at the school division.	Has occurred previously and could reasonably occur again. Once in 1 to 2 years at the school division.	Extremely likely to occur. Multiple times per year at the school division.

Recommended Decision/Motion:

“That the Board approve the accountability report on Utilization of Reserves & Budget Development and acknowledge the report met the requirements of QIs 4.1, 4.5, 4.9, 8.1, and 8.5, based on the evidence within the report.”

Respectfully submitted,

Quintin M. Robertson, Director/CEO
Good Spirit School Division