



**The Board of Education of
School District No. 5 (Southeast Kootenay)
AGENDA - POLICY MEETING**

April 26, 2022, 11:30 a.m.

Cranbrook Board Office

Members

Co-Chair Trustee Wendy Turner

Co-Chair Trustee Trina Ayling

Trustee Patricia Whalen

Trustee Doug McPhee

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Review of required financial reporting policies.

New Policy: Financial Planning and Reporting (Draft)

Revised: Revised Policy 17 Accumulated Operating Surplus (Draft)
6. **ACTION ITEMS FOR FUTURE MEETINGS**
7. **CORRESPONDENCE**

8. ADJOURNMENT

Have we channelled our data driven policies in directions that are positive, productive and equitable through our employees to our students?



**The Board of Education of
School District No.5 (Southeast Kootenay)**

MINUTES - POLICY MEETING

**February 22, 2022, 11:30 a.m.
Virtual Meeting as per SA and Board Procedures By-law**

Committee Members in
Attendance:

Trustee Patricia Whalen
Trustee Doug McPhee
Chairperson Frank Lento (Ex-Officio)

Regrets:

Co-Chair Wendy Turner
Co-Chair Trustee Trina Ayling

Board/District Staff in
Attendance:

Trustee Bev Bellina
Trustee Krista Damstrom
Trustee Chris Johns
Trustee Kathryn Kitt
Superintendent Silke Yardley
Secretary Treasurer Nick Taylor
Director of Instruction/Human Resources Brent Reimer
Director of Student Learning and Aboriginal Education Jason Tichauer
Director of Student Learning and Innovation Diane Casault
District Principal Student Services Darcy Verbeurgt
District Principal Transformative Learning Jennifer Roberts
Executive Assistant (Recorder) Jane Nixon

1. COMMENCEMENT OF MEETING

1.1 Call to Order

The Policy Committee meeting of February 22, 2022 was called to order at 11:39 a.m. by Trustee McPhee.

1.2 Approval of the Agenda

Moved/Seconded by Lento/Whalen:

THAT the agenda of the Policy Committee meeting of February 22, 2022 be approved as circulated.

1.3 Approval of the Minutes

Moved/Seconded by Whalen/Lento:

THAT the minutes of the Policy Committee meeting of January 24, 2022 be approved as circulated.

2. BUSINESS ARISING FROM PREVIOUS MEETING

2.1 Policy 19 - Sexual Orientation/Gender Identity

Director Tichauer reviewed and clarified changes to Policy 19. He explained the consideration of the Mature Minor Act in revised Policy 19 and answered questions regarding use of pronouns under Section 7.0.

Trustee Bellina discussed the Glossary of Terms under 11.0 and queried if the glossary covered all of the terms correctly. Director Tichauer responded that Policy 19 terminology needs to be general and not too specific to avoid constant revision and updates.

Shelly Balfour (CDTA) raised the topic of School District 5 (Southeast Kootenay) registration forms and questioned if they aligned to Policy 19. She had included these concerns in a recent letter to the District.

Director Tichauer explained that District Principal Roberts would be reviewing the current registration forms and District Management will also be reviewing Mrs. Balfour's letter, the District forms and the requirements in MyEducation BC at the February 23, 2022 management meeting.

District Principal Roberts reviewed the new provincial direction and changes coming into production in MyEducation BC in April 2022.'

Chairperson Lento suggested that the revised Policy 19 be sent to Audrey Ackah at the BCSTA for legal review prior to being circulated for stakeholder feedback.

Director Tichauer agreed to send the revisions to Audrey Ackah for clarification and will bring forward any comments at an upcoming Policy Committee meeting.

3. PRESENTATIONS

4. REPORTS

5. NEW BUSINESS

6. ACTION ITEMS FOR FUTURE MEETINGS

6.1 Vaccine Mandate

6.2 Financial Reporting Policies

7. CORRESPONDENCE

8. ADJOURNMENT

Moved/Seconded by Lento/Whalen:

THAT the Policy Committee meeting adjourn at 11:55 a.m.

Have we channelled our data driven policies in directions that are positive, productive and equitable through our employees to our students?

DRAFT

SEXUAL ORIENTATION/GENDER IDENTITY

The Board believes that all public schools in this district shall be safe for everyone. We recognize and value the diversity found within its school communities and believe that each individual contributes to the strength of the District's culture. The Board also recognizes that students and school community members, including those identifying as lesbian, gay, bisexual, transgender, two-spirit, intersex, queer, or questioning, face a unique set of challenges within our schools and communities. In accordance with this policy, and all relevant laws of more senior governing bodies, the Board:

- prohibits any form of discrimination, intimidation or harassment against any person based on sexual orientation, gender identity or gender expression;
- ~~expects encourages~~ members of the school community to welcome, include and support all others regardless of their sexual orientation, gender identity or gender expression;
- instructs the Superintendent to ensure that all schools in the District put in place procedures and practices that support this Board policy.

The Board will provide an environment for all members of the school community to work and learn, free from fear, discrimination, and harassment, while also promoting proactive strategies and guidelines to ensure that sexual or gender minority students, employees and families are welcomed and included in all aspects of education and school life and are treated with respect and dignity.

The purpose of this policy is to:

- ~~define outline~~ appropriate behaviours and actions in order to prevent discrimination and harassment through greater awareness of and responsiveness to their harmful effects;
- ~~This policy is also to~~ ensure that all complaints are taken seriously and dealt with expeditiously and effectively through consistently applied policy and procedures;
- ~~The policy will also~~ raise awareness and improve understanding of the lives of people who identify themselves on the basis of sexual orientation, gender identity or gender expression.

By valuing diversity and respecting differences, students and staff act in accordance with Ministry established principles related to diversity.

In this policy, all references to "sexual or gender minority" persons will include lesbian, gay, bisexual, transgender, transsexual, two-spirit, intersex, queer or questioning persons; persons who are labeled

as such, whether they are or not; and persons with immediate family members who are of a sexual or gender minority.

1. Board Directives

- 1.1. The Board will ensure that all staff will be able to identify individual discriminatory attitudes and behaviours. The Board will also work to eliminate the systemic inequities and barriers to learning for students who identify themselves on the basis of sexual orientation, gender identity or gender expression, and demonstrate accountability for their removal so that all students are treated with fairness and respect.
- 1.2. School based administrators will be informed of and familiar with all Ministry and District policies relating to violence, discrimination and Codes of Conduct and will inform their school communities about these policies.
- 1.3. All staff will be sensitive to sexual or gender minority issues when creating and updating District and School policies, and when formulating disciplinary and corrective actions related to incidents of discrimination, harassment, bullying, or exclusion. Corrective actions include both correcting inappropriate behaviour (remediation) and correcting damage done as a result of inappropriate behaviour (restoration).
- 1.4. The Board will ensure that all teaching and support staff receive necessary in-service training to assist them to acquire knowledge, understandings, skills, attitudes and behaviours related to:

~~4.5-1.4.1.~~ information and issues surrounding sexual and/or gender minorities (which may students, family members and staff);

~~4.6-1.4.2.~~ the scope and impact of discrimination related to sexual orientation, gender identity or gender expression;

~~4.7-1.4.3.~~ incorporating information and issues into curriculum.

~~4.8-1.5.~~ It is the responsibility of all administrators, teachers and support staff to work together to build school communities which are positive and welcoming. They will:

~~4.8-1-1.5.1.~~ foster respect, inclusion, fairness and equity;

~~4.8-2-1.5.2.~~ set, communicate and establish clear expectations for acceptable conduct;

~~4.8-3-1.5.3.~~ provide students, through various techniques, information that will lead to greater understanding, acceptance and support for sexual or gender minority students.

~~4.9-1.6.~~ Social responsibility, including information, issues and attitudes related to the sexual or gender minority population, is not assigned to a particular grade or subject area; instead, it is a responsibility shared among all staff.

~~4.10-1.7.~~ The Board will ensure that age-appropriate resource materials (books, pamphlets, posters, etc.) are available and visible in all schools (for example, in counseling areas, libraries, classrooms). Ministry and/or locally approved resources should be chosen or

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updated in order to accurately reflect the range of Canada's sexual or gender minority population.

4.11.1.8. Within each school, staff will take concrete actions to ensure that the school is more welcoming and safe for sexual or gender minority students.

4.12.1.9. The Board will direct schools to specifically include the prohibition of fear promoting, harassing or discriminatory language and behaviour in their student codes of conduct. Any language or behaviour that ~~deliberately~~ degrades, denigrates, labels, stereotypes, threatens or incites hatred, prejudice, discrimination ~~or~~ harassment towards students, employees, or others on the basis of their real or perceived sexual orientation, gender identity or gender expression will not be tolerated.

2. Professional Development and Training

As needed, the Board will strive to ensure that professional development and training is provided for staff to develop the awareness, knowledge, skills and attitudes necessary to:

- 2.1. deliver an LGBTTTQ+ inclusive curriculum (including anti-homophobia and anti-transphobia education);
- 2.2. stay current on acceptable language and terminology;
- 2.3. identify and address homophobic and transphobic discriminatory attitudes and behaviours; and
- 2.4. support and advocate for the needs of staff and/or students whose real or perceived identity is LGBTTTQ+.

3. Counselling and Student Support

The Board will ensure that:

- 3.1. counsellors are trained to respond competently to the needs of LGBTTTQ+ students and students with LGBTTTQ+ family members;
- 3.2. counsellors and staff are provided with information, directly from Ministry-supported initiatives or directly from the District, on support programs or services for students and families;
- 3.3. all secondary schools are supported in establishing and maintaining Gay or Queer/Straight Alliance clubs.

4. Curriculum Learning Resources

The Board is committed to:

- 4.1. ensuring that staff utilizes language and educational resources and approaches that are inclusive, developmentally appropriate, and respectful of diverse sexual orientations, gender identities, and gender expressions;

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4.2. enabling all LGBTTTQ+ students and families to see themselves and their lives positively reflected in the curriculum, through the provision of curricular and media centre/library resources.

5. Communications

The Board will:

5.1. when applicable, acknowledge through its communication to students, staff, and the community that some students live in LGBTTTQ+ families and need to be positively recognized and included as such; and

~~5.2.~~ ensure that school forms and communications reflect the diversity of sexual orientation, gender identity or gender expression of students, staff and parents/guardians.

6. Transgendered Students

To support the safety, health, and educational needs of students whose real or perceived identity is transgendered, staff shall adhere to the following practices:

6.1. Consultation

6.1.1. School staff are encouraged to consult with district staff, to review best practices for supporting transgendered students.

6.2. Confidentiality and Privacy

6.2.1. A student's transgendered status, legal name, or gender assigned at birth may constitute confidential personal information that will be kept confidential unless its disclosure is legally required or unless the student or the student's parent(s)/guardian have given authorization.

6.2.2. Students' rights to discuss and express their gender identity and/or gender expression openly and to decide when, with whom, and how much private information to share will be respected.

6.3. ~~Names and Pronouns~~

~~6.3.1. Transgendered students will be addressed by the names and pronouns they prefer to use.~~

6.4. Official Records and Student Information

6.4.1. Whenever possible and permitted by law, requests made by a student, or the parent/guardian, to change the student's official record to reflect their preferred name and/or gender identity will be accommodated.

6.4.2. Whenever possible, at the request of a student or of a students' parent(s)/guardian, the student's preferred name and/or gender identity will be included on class lists, timetables, student files, identification cards, etc.

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6.4.3. Unless the student or the student's parent/guardian has specified otherwise, communications between school and home shall use a student's legal name and the pronoun corresponding to the student's gender assigned at birth.

6.4.4. Student preference will take precedence following the ages (12 and older) outlined in

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7. Names and Pronouns

7.1. Students will be addressed by the names and pronouns they prefer to use.

~~6.4.3.~~

7.8. Dress

7.1-8.1. Students have the right to dress in a manner consistent with their gender identity or gender expression. This includes students who may dress in a manner that is not consistent with societal expectations of masculinity/femininity.

7.2-8.2. Such dress must adhere to school dress code standards.

8.9. Access to Physical Education and Sports

8.1-9.1. Where possible, students will be permitted to participate in any sex-segregated recreational and competitive athletic activities, in accordance with their gender identity. Due to issues of disclosure and safety, ~~some students may wish~~ students may also choose to participate in a sex-segregated activity that is not aligned with their gender identity.

8.2-9.2. Any such participation in competitive BC School Sports competition must adhere to BC School Sport Regulations.

8.3-9.3. Transgendered students shall be provided the same opportunities to participate in physical education as all other students, shall not be asked or required to have physical education outside of the assigned class time, and shall be permitted to participate in any sex-segregated activities in accordance with their gender identity if they so choose.

8.4-9.4. In situations where students are segregated by sex, transgendered students will have the option to be included in the group that corresponds to their gender identity.

9.10. Washroom and Change Room Accessibility

9.1-10.1. The use of washrooms and change rooms by transgendered students shall be assessed on a case-by-case basis with the goals of maximizing the student's social

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integration, ensuring the student's safety and comfort, minimizing stigmatization and providing equal opportunity to participate in physical education classes and sports.

9-2-10.2. Transgendered students who desire increased privacy will be provided with a reasonable alternative washroom and/or changing area. Any alternative arrangement will be provided in a way that protects the student's ability to keep their transgendered status confidential.

9-3-10.3. The decision with regard to washroom and change room use shall be made in consultation with the transgendered student.

9-4-10.4. The Board will strive to make available single stall gender-neutral washrooms at all school locations and worksites.

40-11. Glossary

40-1-11.1. **Asexual:** A person who is not sexually attracted to any gender or sex. Asexual people may still be romantically attracted to people of a variety of genders and sexualities and have romantic, non-sexual relationships.

40-2-11.2. **Bisexual:** A person who is attracted to both women and men.

40-3-11.3. **Gay:** A person who is attracted to someone of the same sex and/or gender as themselves. This word can be applied to all genders of relationships but has primarily been used in reference to men.

40-4-11.4. **Gender:** A socially constructed concept of identity based on roles, behaviours, activities, and appearance such as masculine, feminine, androgynous, etc.

40-5-11.5. **Gender expression:** The ways a person presents their sense of gender to others (for example, through clothes, hairstyle, mannerisms, etc.).

40-6-11.6. **Gender identity:** A person's internal sense of being a man, a woman, gender queer, etc. This is not the same thing as a person's biological sex and may not be consistent with how they are perceived by others.

40-7-11.7. **Gender nonconforming:** A term that often refers to children who express gender in ways that differ from societal expectations of the sex and gender assigned to them at birth. For the purposes of this policy and accompanying regulations gender nonconforming children are included under the term trans*.

40-8-11.8. **Homophobia:** The fear, ignorance and mistreatment of people who are, or are perceived to be, lesbian, gay or bisexual. This often leads to bias, discrimination, hatred, harassment and violation of the human rights of lesbian, gay or bisexual people. Homophobic bullying can also be targeted against any individual, regardless of perceived sexual orientation.

40-9-11.9. **Intersex:** Refers to people whose reproductive or sexual anatomy is not easily defined as male or female. There are a variety of ways someone can be intersex, ranging from having ambiguous genitalia to having mixture of XX and XY chromosomes. Intersex individuals have historically been mistreated in North American society (i.e. being forced to

have “corrective” genital surgeries as infants). The term Disorders of Sexual Development is being used increasingly amongst medical professionals in reference to intersex conditions, however, this term has not been fully adopted by intersex communities at the time this policy is being written. The word hermaphrodite was historically used to describe intersex individuals; however, this term is considered highly offensive.

- ~~40.40.11.10.~~ **Lesbian:** A woman who is attracted to other women.
- ~~40.44.11.11.~~ **LGBTQ+:** An acronym that in this case stands for lesbian, gay, bisexual, trans*, Two-Spirit, and queer/questioning. There is a wide range of other terms often included in this acronym (often referred to by queer communities as “the alphabet soup”) such as asexual, and this acronym tends to vary depending on the source. The plus sign (+) indicates the inclusion of all sexual and gender identities.
- ~~40.42.11.12.~~ **Pan-Sexual:** Is the sexual attraction to a person of any sex or gender.
- ~~40.43.11.13.~~ **Perceived as LGBTQ+:** Refers to someone who is treated as if they are LGBTQ+ even if they do not identify as such.
- ~~40.44.11.14.~~ **Pronouns:** The words one uses to refer to themselves (e.g. he/him/his; she/her/hers; they/them/theirs; xe, xem, xyr, etc.)
- ~~40.45.11.15.~~ **Queer:** An umbrella term (often used in place of the LGBTQ+ acronym) used to describe individuals who identify as being part of sexual and gender diverse communities (e.g. lesbian, gay, transgender).
- ~~40.46.11.16.~~ **Sex:** A biological classification based on physical attributes such as sex chromosomes, hormones, internal reproductive structures, and external genitalia. At birth, it is used to identify individuals as male or female. For those whose sex is not easily categorized as male or female see Intersex.
- ~~40.47.11.17.~~ **Sexual Orientation:** Refers to a person’s attraction towards a particular gender or sex. Someone may identify as lesbian, gay, bisexual, queer, pansexual, etc. It is important to remember that sexual identity and gender identity are separate.
- ~~40.48.11.18.~~ **Trans*:** (also Trans, Transgender, Transsexual) An umbrella term that can be used to describe people whose gender identity and/or gender expression differs from what they were assigned at birth. Some trans* people may choose to medically transition by taking hormones, having surgery. Some trans* people may choose to socially transition by changing their name, clothing, hair, etc.
- ~~40.49.11.19.~~ **Transphobia:** Fear, ignorance and mistreatment of people who are, or are perceived to be, trans* or gender nonconforming. This often leads to bias, discrimination, hatred, harassment and violation of the human rights of transgender or gender nonconforming people. Transphobic bullying can also be targeted against any individual, regardless of perceived gender expression.
- ~~40.29.11.20.~~ **Transition:** A term most commonly used to refer to someone transitioning from one gender to another. Transition often consists of a change in style of dress, selection of a new name, and a request that people use the correct pronoun when describing them.

Transition may, but does not always, include medical care like hormone therapy, counseling, and/or surgery.

~~40.24.11.21.~~ **Two-Spirit:** An Aboriginal term describing the embodiment of both masculine and feminine spirits. This identity is not limited to gender expression or sexuality but encompasses them both while incorporating a spiritual element. It is a standalone identity, not an Aboriginal term for gay or lesbian.

Legal Reference Section 65, School Act
B.C. Human Rights Code

Revised: January 25, 2022

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FINANCIAL PLANNING AND REPORTING

The Board of Education (“Board”) recognizes its responsibility for the effective use of public funds in providing the best possible education to the students in the communities it serves. The Board has a duty to govern the district in a fiscally responsible manner, while carrying out the strategies required to achieve its goals.

The annual operating budget is aligned with the three-year financial plan that the Board must develop, implement and provide to the Ministry reflecting the implementation and maintenance of the Board’s educational and operational objectives. The financial allocations included in the budget should be consistent with the strategic directions identified in the Board’s Strategic Plan and the three-year financial plan.

In accordance with [Section 156\(12\) of the School Act](#), the Board must not incur a deficit of any kind unless the Board has approval of the Minister of Education or meets criteria prescribed by order of the Minister of Education. The *Budget Transparency and Accountability Act*, that applies to school districts, provides further guidance on enhancing accountability and transparency.

Under [Section 156\(1\) of School Act](#), the Board is required to maintain budgetary control over expenditures, develop an annual budget and submit it to the Ministry of Education in a prescribed form at the time required by the Minister of Education.

A budget reflects the best estimate of planned revenues and expenses as of a point in time. Salary and benefit increases, inflation and other estimated changes must be budgeted. In addition, the budget must include all recurring and one-time revenues and expenditures for the full fiscal year.

1. Authority

The Board authorizes the Secretary Treasurer to develop and implement all procedures required for the development and monitoring of budgets for approval by the Board.

2. Responsibilities for Managing the Budget

The Secretary Treasurer is delegated responsibility for the overall management of the educational and operational programs that are supported by the annual budgets. The Secretary Treasurer is specifically responsible for the financial management of the budget, and all financial reports for approval by the Board.

Legal Reference: Section 156, [School Act](#)

ACCUMULATED OPERATING SURPLUS

The Board of Education (“Board”) is responsible for ensuring fiscal stability, continuous measurement of the district’s financial health, and protecting against unforeseen circumstances which could negatively impact the education of students.

This policy establishes the Board’s objectives in terms of its accumulated operating surpluses. Accumulated operating surpluses are the result of spending less than the revenue that the district earned. The Ministry *Accumulated Operating Surplus Policy (AOS)* clarifies that a “reasonable” operating surplus should be the objective so that a public reader understand that surplus (funds meant for services to students) does not take away from student programs and services. Accumulated operating surpluses are an indicator of financial health in that they represent the net resources that can be used to provide future services, support educational goals, and mitigate short-term volatility.

The Framework for Enhancing Student Learning (Framework) directs the Board to develop and implement a multi-year strategic plan that is aimed at improving educational outcomes for students. The Financial Planning and Reporting Policy directs the Board to develop multi-year financial plans that identify how resources and operational funding will support their strategic plans.

The Ministry AOS Policy should be read in conjunction with the AOS Policy Companion Guide that provides guidelines and resources to help boards to operationalize their local AOS Policies to meet Ministry policy directives.

The financial plans and budgets, including the use of operating surplus, should clearly identify how they support strategic plans and other operational priorities of the school district including enhancing student outcomes. The Board must follow the guidelines and rules prescribed in the Accounting Practices Order and the *School Act* that describe the conditions under which surplus can be accumulated, restricted, used and transferred.

The District’s objectives in terms of its accumulated operating surplus is set out in this Accumulated Operating Surplus Policy (Policy). By reaching a clear understanding of its operating surplus objectives, and by continually measuring progress towards achieving those objectives, the District can attain greater fiscal stability and better support educational goals.

Specifically

1. The following principles form the basis for this Policy:
 - 1.1. Healthy surplus levels are important in achieving educational goals including financial health and stability;

1.2. Actual surplus balances need to be ~~benchmarked with~~ considered in regard to other school districts, especially those with similar rural and jurisdictions and with pre-determined targets ~~remote context~~, on an ongoing basis to gauge whether financial health is being achieved;

1.3. Surplus goals need to be consistent with, and ~~supportive of~~ aligned to, realistic longer-term financial plans (5 Year Capital Plans and the Long-Term Facility Plan), and the goals of the District Strategic Plan in context of the supporting strategic objectives.

1.4. Provide a contingency for financial risk, unexpected costs, and unforeseen circumstances.

2. Internally Restricted Operating Surplus

Unique to other organizations in the public sector, school districts are permitted to incur annual deficits as long as they have sufficient accumulated operating surplus to cover the annual deficit. An accumulated operating surplus indicates that a school district has net resources that can be used to provide future services. It is achieved by spending less than the revenue it receives. The Secretary Treasurer will recommend amounts that are internally restricted at year-end. Boards of education are required by legislation to prepare balanced annual operating budgets, which may include use of (appropriation of) prior year accumulated surplus.

2.1. This Policy will guide:

2.1.1. Inter-fund transfers, and ensure that stakeholders are aware of the Policy and understand what it means;

2.1.2. General guidelines as to how much (i.e. percentage or dollar amount) could be transferred to other funds;

2.1.3. How much might be allocated from current year's resources to be spent in a future fiscal year;

2.1.4. Annual planning and reporting of the expected surplus/deficit for the year and the application of the Accumulated Operating Surplus Policy for that fiscal year.

2.1.5. The following categories of internally restricted operating surplus have been established for the purpose(s) so identified:

2.2. Internally Restricted Due to Operations Spanning ~~Future~~ Multiple School Years

To support effective planning, there will be situations where monies will need to be carried over ~~to future~~ multiple school years. These could be for categories such as:

2.2.1. Future years' Operations/Budget (not beyond the next two fiscal years)

2.2.2. Schools and Department surplus/carry-forwards (not beyond the next two fiscal years)

2.2.3. Operating projects in progress

2.2.4. Technology, financial software transition, utilities, equipment and ~~Capital~~ capital projects (includes amounts to be transferred to Local Capital, but have not yet been identified for specific initiatives)

~~2.2.5. Purchase order commitments~~

~~2.2.6-2.2.5. Distributed Learning, International ~~Program~~Programs~~

~~2.2.6. Strategic planning in context to the long-term facilities plan.~~

The amount of Accumulated Operating Surplus restricted for Operations Spanning future School Years at the end of a fiscal year should be a minimum of 1.5% and a maximum of 3.0% of actual Operating Expenses of that fiscal year.

2.3. Internally Restricted Due to Anticipated Unusual Expenses Identified

To support effective planning, there ~~will~~may be situations where ~~senior~~district management has identified unusual/non-recurring expenses anticipated to be spent in the upcoming fiscal year that will not be funded by revenues of that year. These could be for categories (one-time expenses) such as:

2.3.1. Exempt staff compensation;

2.3.2. Staffing, ~~and~~ labour relations, ~~employee~~;

2.3.3. Employee benefits;

~~2.3.1-2.3.4.~~ Anticipated severance; and

~~2.3.2-2.3.5.~~ Implementation of new curriculum

The amount of Accumulated Operating Surplus restricted for Anticipated Unusual Expenses Identified at the end of a fiscal year should be a minimum of 0.5% and a maximum of 1.0% of actual Operating Expenses of that fiscal year.

2.4. Internally Restricted Due to Nature of Constraints on the Funds

In recognition of some monies having constraints as to how they can be spent funds may need to be internally restricted at the end of the fiscal year. Funds with external restrictions are to be included in Special Purpose Funds. These internal restrictions could be for categories such as:

2.4.1. Contractual obligations (i.e. professional development)

2.4.2. ~~Aboriginal~~Indigenous Education Spending Targets

2.4.3. School Generated Funds (not externally restricted)

2.4.4. Education Plan

2.4.5. Donator named funds (not restricted by the donor)

The amount of Accumulated Operating Surplus restricted for Nature of Constraints on the Funds at the end of a fiscal year cannot be quantified as a range of minimum to maximum.

2.5. Contingency Reserve

2.5.1. To support effective planning, there will be situations where contingency funds need to be available ~~for unexpected increases in expenses and/or decreases in revenues to mitigate any negative impact that short-term volatility or emergency needs might cause.~~ Budgeted annual operating expenses should be reflective of actual estimated costs or, where applicable, contractual expenditure requirements. The contingency reserve mitigates the risk of actual costs being greater than estimated. ~~These could be for categories such~~

as Upon review of the annual financial statements, the Board will restrict a portion of accumulated operating surplus for the purpose of forming a contingency reserve. The contingency reserve will be sufficient to reduce, to an appropriate level, financial forecast risk and/or unforeseen circumstances such as the following categories:

2.5.2-2.5.1.1. For Major Emergent Operating ~~Issues~~ Situations – the District is exposed to major non- reoccurring costs related to various emergency events or situations, (e.g. inclement weather, forest fires, etc.) These emergent situations cannot be anticipated and budgeted for and may not be feasible to absorb the cost of such events in other budget areas in any given year.

2.5.3-2.5.1.2. For One-Time and Intermittent Projects – the District undertakes certain one- time and/or intermittent projects that are larger in terms of costs. If these projects were funded from annual per-pupil based ~~Operating~~ operating grants from the Ministry of Education, annual fluctuations in educational service levels may result; therefore, it is not prudent to fund these projects from current annual per-pupil based Operating grants from the Ministry of Education.

2.5.4-2.5.1.3. To Offset Unrealized Revenues – some of the District’s revenue sources, (e.g. off- shore student enrolment, rentals, etc.) are cyclical in nature and thus are subject to downturns in the economy. The District tries to anticipate economic downturns by budgeting for a base dollar amount of these revenues in its general operations. Despite its best efforts, the District is exposed to the possibility of unrealized revenues and/or to declines in base revenues from year to year. One cannot always count on budgetary savings or other revenues to always offset these shortfalls.

2.5.2. If accumulated operating surplus available and restricted for the purpose of the contingency reserve is not sufficient, the Board will allocate additional funds from the annual budget of the subsequent fiscal year to increase the contingency reserve.

2.5.3. The contingency reserve is to be used only to fund additional cost pressures that result from circumstances beyond the school district’s control, or, with the Board’s approval, in response to unforeseen circumstances.

2.5.4. When use of the contingency reserve reduces the balance below what is determined to be sufficient, the Board will adopt strategies for replenishing the contingency reserve within an appropriate timeframe.

2.5.5. The amount of Accumulated Operating Surplus restricted for Contingency Reserves at the end of a fiscal year should be a minimum of 0.5% and a maximum of 1.0% of actual Operating Expenses of that fiscal year.

3. Unrestricted Operating Surplus

3.1. The District needs to maintain Unrestricted Operating Surplus balances for working capital purposes, i.e. to provide for operating expenditures before operating grants from the Ministry of Education are received. Maintaining

minimum working capital levels eliminates or reduces the need to borrow externally and/or internally for operations.

- 3.2. The District may also require emergency funds from time to time, from its Unrestricted Operating Surplus balance, for unforeseen costs. When this occurs, the School District needs to rely upon sufficient balances being available.
- 3.3. Also included in the Unrestricted Operating Surplus are funds that may be used in budget years beyond the next two fiscal years.
- 3.4. The amount of Unrestricted Operating Surplus at the end of a fiscal year should be a minimum of 0.5% and a maximum of 3.0% of actual Operating Expenses of that fiscal year.

4. Restricted for Future Capital Cost Share

4.1. To support major capital projects that are identified in the board's 5-year Capital Plan, and approved by the ministry for concept plan or business case development, boards may restrict operating surplus to satisfy capital project cost share expectations at the time the project is brought forward for funding approval.

5. Accumulated Deficits

5.1. Under section 156(12) of the School Act, a board must not incur a deficit of any kind unless the board has the approval of the minister or meets criteria prescribed by order of the minister. The criteria for incurring a deficit is prescribed in Section 3 of the Accounting Practices Ministerial Order.

5.2. Consistent with this primary and secondary legislation, under ministry policy, a request to incur an accumulated operating deficit will only be approved if it is submitted by the board chair, or on a motion from the board and only if the board can explain why the accumulated deficit has been incurred. The board must not have a history of multi-year accumulated deficits, must have retired any previous accumulated deficits as required by the ministry, and must:

5.2.1. Indicate the nature of the accumulated deficit;

5.2.2. Demonstrate how the accumulated deficit will be repaid (generally within one to three years);

5.2.3. Indicate the percentage that the accumulated operating deficit is under budgeted expenditures;

5.2.4. Have appropriated, to the current year, all accumulated surplus from prior years; and

5.2.5. Submit a deficit retirement plan.

5.3. The minister may seek additional information to evaluate a board's request if the board does not meet the above criteria. Approval will be considered on a case-by-case basis. The minister may specify terms or conditions directly related to the retirement of the deficit prior to approving the request (e.g., that a debt be retired at a minimum of 1/3 the total debt over a three-year period). The minister will require audited financial statements to approve the accumulated deficit.

4.6. Administration

4.1.6.1. Increases to Restricted Surplus

4.1.1.6.1.1. Annual and/or periodic increases to the restrictions on the Accumulated Operating Surplus shall be specific to each category of restriction, as approved by the Board through the School District's annual financial planning/budgeting process.

4.2.6.2. Minimum and Maximum Surplus Balances

4.2.1.6.2.1. Minimum and maximum surplus balance guidelines have been set for some of the categories of restrictions on the District's Accumulated Operating Surplus and Unrestricted Surpluses as shown in attached Appendix "A". The purpose of each category of Accumulated Operating Surplus is also shown in this Appendix. The minimum balances ensure that the respective balances are not depleted to the degree that those balances are no longer able to serve their intended purpose(s). The maximum balances ensure that the School District's guiding principles are achieved and that the respective balances do not grow beyond their intended purpose(s) and thus create idle assets that could be otherwise utilized for other corporate priorities. A formal comparative review of actual, minimum and maximum fund balances shall be undertaken annually.

4.3.6.3. Responsibilities

4.3.1.6.3.1. The District's Secretary Treasurer shall be responsible for:

4.3.2.6.3.1.1. Recommending the necessary increases/decreases and transfers so that the District's Restricted Operating Surplus and Unrestricted Operating Surpluses are maintained in accordance with this Policy for approval by the Board;

4.3.3.6.3.1.2. Conducting an annual review of all restricted Operating Surplus balances, and Unrestricted Operating Surplus balances including comparing actual levels with the established minimum and maximum levels within this Policy and with other school district and jurisdiction benchmarks, and reporting the results of such a review to the Board of Education for approval through the district's annual budgeting process;

6.3.1.3. Present in the annual budgeting process transfers to local capital which are sufficient to allow efficient replacement or acquisition of assets consistent with the school district's capital plan. Transfers to local capital should be authorized through the budget bylaw or by separate board motion. They should be supported by a planned use of the local capital balance.

4.3.4.6.3.1.4. Recommending changes to the minimum and maximum balance guidelines shown in this Policy; and

4.3.5.6.3.1.5. Recommending any revisions or amendments to this Policy, as may be required from time to time, as a result of changes in applicable Ministry of Education directives, accounting standards, economic conditions, etc.

6.3.1.6. Reporting to the public and Board.

4.4.6.4. Restriction Increases/Decreases and Transfer of Funds

4.4.1.6.4.1. Increases/decreases in Internally Restricted Operating Surplus for any of the categories identified in Section 2 in excess of \$20,000 will be considered by the appropriate Standing Committee and approved by the Board of Education.

4.4.2.6.4.2. The Secretary Treasurer has the authority to approve increases/decreases in Internally Restricted Operating Surplus up to and including \$20,000. Any such increases/decreases will be reported to the Finance/Operations Committee.

4.4.3.6.4.3. Any transfer of funds between the Operating Fund and Capital Fund not included in the Annual Budget, or Amended Annual Budget, will be considered by the Finance/Operations Committee and approved by the Board of Education.

4.4.4.6.4.4. It is expected that the annual operating budget will allow transfers to local capital, which are sufficient to allow efficient replacement or acquisition of assets consistent with the District's capital plan. Transfers to local capital should be authorized through the budget bylaw or by separate board motion. They should be supported by a planned use of the local capital balance.

4.5.6.5. Guide and Transition

4.5.1.6.5.1. The minimum and maximum operating surplus balance guidelines shown in the appendix serve as a guide in moving the District towards the goals or targets it wishes to attain, in terms of individual surplus balances. It is recognized that the District's surplus balances may not be at the minimum or maximum levels at the time of enacting this Policy, however, the District is transitioning towards its maximum targets.

7. Planning, Reporting and Communication to Public

7.1. The Board will provide opportunities for local First Nations, Métis Community, partner groups and the public to provide input through the three-year financial plan and budget development process to allow consultation on the accumulated operating surplus. The engagement process and the accumulated operating surplus documents will be provide on the school district's website.

7.2. Accumulated Operating Surplus balances and changes will be reported in the Annual Financial Statements.

7.3. The District must provide the Ministry with an annual report on the budget allocation decisions (including operating surplus and local capital) demonstrating that approved allocations support boards' strategic objectives. Appendix A will be used to report on operating surplus and Appendix B to report on Capital surplus.

7.4. To ensure the Ministry receives all information relevant to operating surplus the Secretary Treasurer will provide additional information explaining how the funds were accumulated and how the operating surplus will be used through the Financial Statement Discussion and Analysis (FSD&A). The FSD&A will explain how operating surplus was used to support Board strategic plans.

5.8. Glossary

The following terms used in this Policy are defined as follows:

"Accumulated Operating Surplus" means the accumulated excess of Operating revenues over Operating expenses from prior years.

"Accumulated Operating Deficit" means the accumulated excess of Operating expenses over Operating revenues from prior years.

"Annual Operating Deficit" is the amount by which a fiscal year's Operating expenses exceed that same fiscal year's Operating revenues.

"Operating Expenses" are the total of all expenses in the Operating Fund as disclosed on Schedule 2 of the financial statements.

"Operating Revenue" are the total of all revenue in the Operating Fund as disclosed on Schedule 2 of the financial statements.

"Annual Operating Surplus" is the amount by which a fiscal year's Operating revenue exceeds that same fiscal year's Operating expenses.

"Unrestricted Operating Surplus" means the accumulated Operating surplus built up in the District's Operating fund that has not been designated for specific uses.

Legal Reference: Section 85, School Act
