



KAWARTHA PINE RIDGE DISTRICT SCHOOL BOARD

ADMINISTRATIVE REGULATION

Regulation Name: Financial Reporting

Regulation Code: BA-4.5.1

Section: Business and Administrative Services

Policy Code Reference: BA-4.5

Established: October 26, 2000

Revised or

Reviewed: February 28, 2008; February 27, 2014; May 23, 2019; April 22, 2024

1. OBJECTIVE

This administrative regulation will be used by Board staff for the preparation of accurate, timely and detailed financial reports for senior administration and the Board of Trustees, by establishing the parameters for financial reporting, budget variance management and budget activity.

2. DEFINITIONS

Audited Financial Statements

Financial statements certified by a Chartered Professional Accountant.

Board

The corporate Board which maintains the daily operation of the system; Kawartha Pine Ridge District School Board; a reference specifically pertaining to Kawartha Pine Ridge District School Board as a legal entity; also referred to as KPR or KPRDSB.

Board Budget

Board allocated funding for operations, staffing and equipment, designing programs to meet the needs of students and fixing, maintaining and building Board facilities. The annual Board budget is a record of decisions made, a mechanism for allocating financial resources, and a means of managing activities in a planned and efficient manner.

Board Resources

Allocated Board budgets including Board budget, special funding and school generated funds.

Board of Trustees

The elected governance branch of the Board.

Chartered Professional Accountant

A designated accounting professional with specialized knowledge and expertise in the accounting field.

Department

A division of the school board responsible for a specific function within the organization.

Policy

A statement of intent, governing principle or end result, adopted by the Board of Trustees in open public session; it is intended to articulate what must be done, the rationale for it and a framework for the system.

School Budgets

Funds allocated to schools through the Board's budget process to support schools' day-to-day school operating activities and the purchase of classroom learning materials.

Special School Budgets

Funds allocated to schools with specific criteria to support specified initiatives or activities.

Variance(s)

A measure of the difference between budgeted and actual figures for a particular accounting category and period.

3. APPLICATION

This administrative regulation applies to the Finance Department and employees of the Board who contribute input or to the development of the Board's financial statements.

4. RESPONSIBILITY

The Superintendent of Business and Corporate Services and Treasurer of the Board has responsibility for this administrative regulation.

The Director of Education is responsible to allocate staff and resources to support this administrative regulation.

5. PROCEDURE**5.1 Reporting Periods and Guidelines**

Administration shall prepare financial reports for the Board of Trustees for the periods ending February 28/29, May 31, and November 30. An annual report of variances between the approved budget and actual performance, as defined by the August 31 audited financial statements, shall be presented to the Board of Trustees in the month of November.

Periodic and annual reporting will include analysis of functional budget, enrolment and staffing variances based on the Ministry of Education reporting template.

- 5.1.1 Detailed variance analysis will be based on the following threshold amounts:

Budget Variance Threshold

Department/Functional Total Budget	Variance Threshold
\$0 to \$500,000	\$100,000
\$500,000 to \$2,000,000	\$100,000 or 10%
≥ \$2,000,000	5%

- 5.1.2 School budgets, excluding special school budgets to a maximum variance of (+) or (-) 15% at the school level, will be transferred to the subsequent fiscal period.
- 5.1.3 In circumstances where new or enhanced grant programs are available which would provide additional funding for approved programs, facilities, human resources, and/or expenditures on supplies and equipment, and where utilization of grant funding is required within time frames which prohibit prior Board of Trustee approval, the following guidelines shall apply:
 - 5.1.3.1 If an expenditure would be offset completely by additional revenue and represents no additional cost in future years because of program continuation or additional administrative or maintenance costs, trustees will be advised as part of the periodic interim reporting process.
 - 5.1.3.2 If an expenditure, net of additional revenue, results in a cost exceeding \$100,000, or results in additional continuing costs in subsequent years, there shall be prior approval of the Board of Trustees.

5.2 Budget Activity

Administration needs to ensure that actual budget activity is governed by the detailed decisions and resource allocations incorporated in the annually approved budget, with flexibility remaining to react to circumstances which may occur as follows:

- 5.2.1 actual enrolments differing from projections,
- 5.2.2 contracts settled at levels different from those anticipated in budget,
- 5.2.3 system staffing accomplished with experience and qualifications differing from those estimated,

- 5.2.4 new or enhanced grant programs being available during the year,
- 5.2.5 assumptions concerning general economic performance, such as inflationary trends and interest rates differing from actual rates experienced, and/or
- 5.2.6 other specific reasons for variation from budget.

5.3 **Budget Variance Management**

In recognition of the necessity to react to actual reasons for variance from approved budgets, the following procedures shall be employed:

- 5.3.1 Members of senior administration are authorized to manage functional activity at the department/functional level and increase or decrease individual account expenditures, with the intent of maintaining total expenditure within budgeted amounts.
- 5.3.2 In situations where altered circumstances cannot be addressed without department/functional expenditure in excess of the gross budget, members of senior administration shall receive prior Administrative Council approval of expenditure increases to a limit of ten percent for supplies, equipment and staffing.
- 5.3.3 In situations where expenditures within a department or function will exceed budget by amounts in excess of 10%, prior approval of the Board of Trustees shall be obtained. Detailed reasons for the request must be provided, including revenue and expenditure implications for the current budget year and impact on future budget years.

6. **RELATED POLICIES, ADMINISTRATIVE REGULATIONS OR PROCEDURAL DOCUMENTS**

Board Policies:

[BA-4.5, Financial Reporting and School Budgets](#)

Administrative Regulations:

[BA-4.5.2, School Budgets](#)

7. **REFERENCE DOCUMENTS**

Legislation:

[Broader Public Sector Accountability
Education Act](#)