



# SCHOOL DISTRICT NO10 (ARROW LAKES) POLICY MANUAL

## 622 – Accumulated Operating Surplus Policy

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### 1.0 General

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

### 2.0 Guiding Principles

- 2.1 The following guiding principles form the basis for this Policy:
  - 2.1.1 Healthy surplus levels are important in achieving educational goals including financial health and stability.
  - 2.1.2 Actual surplus balances need to be considered in regard to other school districts, especially those with similar rural and remote context, on an ongoing basis to gauge whether financial health is being achieved.
  - 2.1.3 Surplus goals need to be consistent with, and supportive of realistic longer-term financial plans.
- 2.2 SD10's annual Accumulated Operating Surplus aligns with and considers:
  - 2.2.1 District Vision and Mission Statement - Policy 110.
  - 2.2.2 The District Strategic Plan.
  - 2.2.3 The Financial Health of the District.
- 2.3 The Accumulated Operating Surplus Policy aims to:
  - 2.3.1 Provide guidance, consistency, and support long-term planning.
  - 2.3.2 Assist in managing the District's financial risk.
  - 2.3.3 Mitigate short term volatility.
  - 2.3.4 Provide contingency for unexpected costs.

### 3.0 Types of Accumulated Operating Surplus

- 3.1 Unrestricted Surplus: the accumulated operating surplus built up in the School District's operating fund that has not been designated for specific uses.

- 3.2 Restricted Surplus: the accumulated operating surplus built up in the School District's operating fund that has been designated for specific uses. The following are examples of internally restricted categories:
  - 3.2.1 Utilities, Equipment and Capital Projects
  - 3.2.2 Emergency
  - 3.2.3 Professional Learning
  - 3.2.4 Student Learning
  - 3.2.5 Financial Software Transition
  - 3.2.6 Strategic Planning/School Reconfiguration
  - 3.2.7 Long Range Facilities Plan
  - 3.2.8 Board Scholarship Fund

#### 4.0 Role of the Secretary-Treasurer

- 4.1 The School District's Secretary-Treasurer shall be responsible for:
  - 4.1.1 Recommending the appropriate balances to be maintained in both the unrestricted and restricted accumulated operating surplus.
  - 4.1.2 Recommending any increases/decreases and transfers to/from the operating surplus.
  - 4.1.3 Recommending any revisions or amendment to this Policy, as may be required from time to time, as a result of changes in Ministry of Education directives, accounting standards or economic conditions.
  - 4.1.4 Reporting to the public and Board of Education.

#### 5.0 Reporting and Communication to Public

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