


Board Policy		
 <p>BP 118 Accumulated Surplus from Operations</p>	<p>References: SASBO Accumulated Surplus Reporting Manual</p>	<p>Tracking: May 2023 – created</p>
	<p>Related: AP 716 – Accumulated Surplus from Operations</p>	<p>Status: NEW – May 30, 2023</p>

POLICY

The Board of Education (Board) is responsible for ensuring that the division is financially protected from extraordinary circumstances which would negatively impact school division operations and the education of students. Further, a level of financial reserves is an indicator of financial health and can contribute resources to provide for multi-year planning for future educational services, and protection from future financial risk.

An operating surplus represents the extent to which operating revenues in a fiscal year exceed operating expenditures in that year. Conversely, an operating deficit occurs when operating expenditures in a fiscal year exceed operating revenues in the same year. The Board is responsible to maintain a positive combined restricted and unrestricted accumulated surplus from operations to ensure fiscal sustainability.

The purpose of the Internally Restricted Reserve is to support stable programming and ongoing operations for the benefit of the students served by the division. The Internally Restricted Reserve provides an internal source of funds to access in situations such as an unanticipated increase in expenses, one-time unbudgeted expenses including capital expenses, unanticipated funding reductions or shortfalls in uninsured losses. The Internally Restricted Reserve is not intended to replace a permanent loss of funding.

References:

SASBO Accumulated Surplus Reporting Manual

Education in a Culture of Excellence