



PSAB ACCOUNTING

The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education.

The financial statements of the school division will comprise the statement of financial position, statements of operations and accumulated surplus, changes in net financial assets and cash flows.

The *statement of financial position* reports the difference between financial assets (cash and cash equivalents, accounts receivable and investments) and liabilities (accounts payable and accrued liabilities, employee future benefits, deferred revenue), which provides an indication of the school division's financial position. Non-financial assets (tangible capital assets, inventory, prepaids) are also reported which provides an understanding on the school division's debt position, financial position and future operating requirements.

The *statement of operations and accumulated surplus* reports the school division's surplus or deficit from operations in the accounting period. It measures, in monetary terms, the change in accumulated operating surplus or deficit in the period. The report identifies total revenues and expenses and the cost of consuming non-financial assets in the period.

The *statement of changes in net financial assets* provides the extent to which the expenditures of the accounting period are met by the revenues recognized in operations for the period and the extent to which net assets/debt changed in the accounting period.

The *statement of cash flows* reports how the school division generated and used cash and cash equivalents in the accounting period and the change in cash and cash equivalents in the period. The statement reports cash flows during the period classified by operating, capital and investing activities.

PROCEDURES

1. **Responsibility**

- a. The Superintendent of Business Administration is responsible for maintaining and managing the Board's accounting, and making recommendation to the Director of Education regarding the allocation of Board proceeds.

2. **Internally Restricted Surplus**

- a. Certain amounts of the Accumulated Surplus, as approved by the board of education, can be designated for specific future purposes.
- b. The internally restricted amounts are included in the Accumulated Surplus presented in the Statement of Financial Position.
- c. The school division does not maintain separate bank accounts for the internally restricted amounts.



- d. Internal restrictions can be made, but not limited to, the following:
 - i. School Specific Programs (Early Learning – Pre-K)
 - ii. School Generated Fund Balances
 - iii. School Budget Carryover
 - iv. Capital Projects
 - v. PMR

3. Trust Funds

- a. The Superintendent of Business Administration is authorized to receive donations for the purpose of establishing scholarships and student bursaries. Funds may be held in trust for the purposes intended.
- b. The Superintendent of Business Administration is to make every effort to comply with the conditions specified by the donor.
- c. The Superintendent of Business Administration may recommend to the Director that funds be held in trust by the Board for purposes other than student scholarships and bursaries.
- d. The Notes in the financial statement disclose the value of funds held in trust as per PSAB Section 2100.

Education in a Culture of Excellence