



## MULTI-YEAR ACCUMULATED OPERATING SURPLUS

The term Accumulated Operating Surplus refers to the accumulation of prior year funds sitting in a surplus position that is, when funding available over time exceeds expense paid. The word “surplus” refers to net resources available to fund future initiatives and does not indicate that there are excess funds.

**Accumulated Operating Surplus Funds are a key financial management tool.** They help support effective planning and risk mitigation strategies.

### Boards maintain reasonable operating surplus funds to ...

- Protect the District from **extraordinary circumstances and financial volatility** which would negatively impact District operations and the education of students.
- **Meet commitments**
- **Balance budgets**
- **Support strategic objectives**, including operational necessities and educational outcomes for students
- **Bridge timing gaps** and fund the cost of new mid-year initiatives that have not yet been budgeted.



**District Policy 19 provides for governance of reserve funds and for the priority order in which they are used.**

This policy outlines:

- the **purpose and use** of operating surplus funds,
- the **way in which the Board restricts** operating surplus,
- **how financial risk will be mitigated** by establishing contingency surplus funds subject to certain limits and criteria.

**Accumulated surplus funds are earmarked in the following priority sequence:**

- Funds set aside due to an **imposed constraint**
- Funds required to **balance an approved budget**
- Funds set aside for **anticipated unusual expenses identified by the Board**
- Funds for **operations spanning one or multiple school years.**



SCHOOL DISTRICT NO. 37 (DELTA)  
 ACCUMULATED OPERATING SURPLUS REPORT  
 YEAR ENDED JUNE 30, 2022

Val Windsor \_\_\_\_\_  
 Board Chair  
 Date Signed 09/27/2022

Doug Sheppard \_\_\_\_\_  
 Superintendent  
 Date Signed 09/27/2022

Nicola Christ \_\_\_\_\_  
 Secretary Treasurer  
 Date Signed 09/27/2022

## The 2021-22 year ended with a Total Operating Deficit of (\$4.947) million

The Deficit of (\$4.947) million decreased the previous year ending **Accumulated Operating Surplus balance of \$19,012,726 to \$14,065,553**. This report provides an update on changes from the estimated 2022-23 Original Budget balances. Balances in this report represent the final 2021-22 year-end balances. The report further indicates the Board of Education-approved allocation of the **Accumulated Operating Surplus balance of \$14,065,553 to support the operations of 2022-23 and how early allocations for future years are being accumulated.**

Additional comments have been provided below each table.

<b>RESERVE RECONCILIATION</b>		Opening Balance	Planned	Planned	Planned	Expected	
<b>PLANNING AND REPORTING SCHEDULE FOR 2022/23</b>		2022-23	2022/23	2023/24	2024/25	Ending Balance	Link to Strategic Goal
As at: June 30, 2022							
<b>INTERNALLY RESTRICTED DUE TO NATURE OF CONSTRAINT</b>							
<b>A</b>	<b>CONTRACTUAL OBLIGATIONS</b>						
	GENESIS THEATER FUNDS	75,164	(3,000)	(3,000)	(25,000)	44,164	Stewardship of Resources
	IB PROGRAM - ENGLISH BLUFF	43,780	(43,780)			-	Powerful and inspiring learning environments
	JOINT CUPE TRAINING FUND	54,176	(21,670)	(21,670)	(10,835)	-	Engaged, Empowered Workforce
	POPARD TEACHER TRAINING PROGRAM	387,640	(250,000)			137,640	Stewardship of Resources
	FOOD DONATIONS	46,674	-	(23,337)	(23,337)	-	Graduation for all
	EARLY CAREER MENTORSHIP	190,822	(190,822)			-	Engaged, Empowered Workforce
	MULTICULTURAL ANTI-RACISM GRANT	194	(194)			-	Powerful and inspiring learning environments
	GIVING TREE PROJECT	858	(858)			-	Powerful and inspiring learning environments
	OPERATING GRANT HOLDBACK - LEARNING IMPACT	5,860	(5,860)			-	Graduation for all
	HEATH PARKING LOT RENEWAL	100,000	(40,000)			60,000	Stewardship of Resources
	CUPE TRAINING FUND	12,495	(12,495)			-	Engaged, Empowered and Healthy Workforce
	HR DEPARTMENT RELATED CONTRACT OBLIGATIONS	164,500	(164,500)			-	Engaged, Empowered and Healthy Workforce
<b>B</b>	<b>FUNDING REQUIRED TO MEET INDIG. ED. SPENDING TARGET</b>						
<b>C</b>	<b>SCHOOL GENERATED FUNDS - NOT EXTERNALLY RESTRICTED</b>						
	SCHOOL GENERATED FUNDS (SGF)	2,024,003				2,024,003	Public Sector Accounting Regulation
		-				-	
<b>TOTAL - RESTRICTED DUE TO NATURE OF CONSTRAINT</b>		<b>3,106,166</b>	<b>(733,179)</b>	<b>(48,007)</b>	<b>(59,172)</b>	<b>2,265,807</b>	
Percentage of Operating Budget		<b>1.8%</b>				<b>1.3%</b>	

**NotSchool Generated Funds:** the School District changed its accounting policy to record the unrestricted portion of School Generated Funds in the Operating Fund and the restricted portion in the Special Purpose Fund. Public sector accounting standards call for this treatment of School Generated Funds. The School Generated Funds balance will be updated at regular reporting intervals. Spending of these funds will take place in the Special Purpose Funds. No spending in 2022-23 is shown here for this reason.

**Changes to this section since the 2022-23 Original Budget are as follows:** The above section total increased from the budgeted \$770,689 to the actual \$3,106,166. The increase of \$2,335,477 included \$278,479 in year-end changes from estimate to actual and the addition of \$2,056,998 (\$12,495 for a CUPE Training Fund balance per the CUPE Collective Agreement, a \$20,500 increase in HR Department related contract obligations and the above-mentioned School Generated Funds balance of \$2.024 million).



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<b>RESERVE RECONCILIATION</b>		Opening Balance	Planned	Planned	Planned	Expected	
<b>PLANNING AND REPORTING SCHEDULE FOR 2022/23</b>		2022-23	2022/23	2023/24	2024/25	Ending Balance	Link to Strategic Goal
As at: June 30, 2022							
<b>INTERNALLY RESTRICTED - ANTICIPATED UNUSUAL EXPENSES</b>							
<b>A STAFFING NEEDS THAT ARE SHORT TERM AND VARIABLE IN NATURE</b>							
	REGULAR INSTRUCTION STAFFING PROVISION	700,000	(600,000)			100,000	Graduation for All
	INCLUSIVE LEARNING STAFFING PROVISION	700,000	(98,300)			601,700	Graduation for All
	SEAQUAM IB: TEMPORARY STAFFING TRANSITION SUPPORT	146,039	(146,039)			-	Graduation for All
	NEW ESA SICK LEAVE PROVISION	342,000	(342,000)			-	Healthy Workforce
<b>B SELF INSURANCE OF MINOR EQUIPMENT LOSS OR DAMAGE</b>							
	INSURANCE DEDUCTIBLE	10,000				10,000	Stewardship of Resources
<b>C IMPLEMENTATION OF NEW INITIATIVES</b>							
<b>D IMPACT OF EMERGING EVENTS</b>							
<b>TOTAL - RESTRICTED FOR ANTICIPATED UNUSUAL EXPENSES</b>		<b>1,898,039</b>	<b>(1,186,339)</b>	-	-	<b>711,700</b>	
<b>Percentage of Budget</b>		<b>1.1%</b>				<b>0.4%</b>	

Changes to this section since the 2022-23 Original Budget are as follows: There were no changes in the Opening Balance of this section. However, since the approval of the Original Budget, the 2022-23 planned spending has increased in the line items of "Regular Instruction Staffing Provision" and "Inclusive Learning Staffing Provision" due to now known needs for the 2022-23 school year.



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<b>RESERVE RECONCILIATION</b>		Opening Balance	Planned	Planned	Planned	Expected	
<b>PLANNING AND REPORTING SCHEDULE FOR 2022/23</b>		2022-23	2022/23	2023/24	2024/25	Ending Balance	Link to Strategic Goal
As at: June 30, 2022							
<b>INTERNALLY RESTRICTED FOR OPERATIONS SPANNING MULTIPLE YEARS</b>							
<b>A</b>	<b>BUDGET BALANCING</b>						
<b>B</b>	<b>SCHOOL &amp; DEPARTMENT SURPLUSES / CARRY FORWARDS</b>						
	SCHOOL FUNDS	2,294,836	(500,000)	(500,000)	(500,000)	794,836	Stewardship of Resources
<b>C</b>	<b>OPERATING PROJECTS IN PROGRESS - OTHER</b>						
	FINANCIAL RISK MANAGEMENT WORK	40,000	(10,000)	(10,000)	(10,000)	10,000	Stewardship of Resources
	EMERGENCY PREPAREDNESS CONSULTANT	92,653	(92,653)			-	Stewardship of Resources
	DISTRICT STAFF APPRECIATION	50,000	(50,000)			-	Engaged, Empowered and Healthy Workforce
	HR SUPPORT FOR CAREER MENTORSHIP INITIATIVE	20,000	(20,000)			-	Engaged, Empowered and Healthy Workforce
	HR CONTINGENCY	40,000	(20,000)	(20,000)		-	Engaged, Empowered and Healthy Workforce
	INTERNATIONAL STUDENT WEBSITE	25,000	(25,000)			-	Stewardship of Resources
<b>D</b>	<b>TECHNOLOGY</b>						
	TECHNOLOGY ROADMAP INITIATIVES	1,250,000	(583,334)	(333,333)	(333,333)	-	Powerful & Inspiring Learning Environments
	MY ED BC IMPLEMENTATION	242,342	(242,342)			-	Stewardship of Resources
	ONLINE LEARNING TECHNOLOGY	100,000	(100,000)			-	Graduation for all
	FUTURE BUSINESS TECHNOLOGY PROJECT	160,604				160,604	Engaged Workforce / Stewardship of Resources
<b>D</b>	<b>UTILITIES</b>						
	UTILITIES	168,000				168,000	Stewardship of Resources

Changes to this section since the 2022-23 Original Budget are as follows: The above section total increased from the budgeted \$3,872,929 to the actual \$4,483,435. The increase of \$610,506 included \$495,506 in year-end changes from estimate to actual (School Funds) and the addition of \$115 thousand (\$90 thousand for Employee Services related amounts and \$25 thousand for an update to the International Student Program brochure).



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<b>RESERVE RECONCILIATION</b>		Opening				Expected	
<b>PLANNING AND REPORTING SCHEDULE FOR 2022/23</b>		Balance	Planned	Planned	Planned	Ending	Link to Strategic Goal
As at: June 30, 2022		2022-23	2022/23	2023/24	2024/25	Balance	
<b>INTERNALLY RESTRICTED FOR OPERATIONS SPANNING MULTIPLE YEARS</b>							
<b>D</b>	<b>CAPITAL - BUILDINGS/FACILITIES</b>						
	CLASSROOM ENHANCEMENT	240,000				240,000	Powerful and inspiring learning environments
	EMERGENCY PREPAREDNESS	200,000	(165,000)			35,000	Stewardship of Resources
	EQUIPMENT REPLACEMENT - TECH ED	81,839	(81,839)			-	Stewardship of Resources
	FACILITY EQUIPMENT REPLACEMENT	505,760	(125,000)	(25,000)	(25,000)	330,760	Stewardship of Resources
	LONG RANGE FACILITY PLAN	60,000	(60,000)			-	Stewardship of Resources
<b>D</b>	<b>CAPITAL PROJECTS - YEAR END IN PROGRESS</b>						
	YEAR END - CAPITAL IN PROGRESS - 21-22 FOR 2022-23	250,947	(250,947)			-	Stewardship of Resources
<b>E</b>	<b>PURCHASE COMMITMENTS - YEAR END IN PROGRESS</b>						
	YEAR END - PURCHASE ORDER COMMITMENTS	30,000				30,000	Stewardship of Resources
<b>F</b>	<b>EDUCATION PROGRAMS OVER MULTIPLE YEARS</b>						
	VISION	300,000	(70,000)	(70,000)	(60,000)	100,000	Graduation for all / inspiring learning environments
	GSI GRANTS	4,000				4,000	Powerful and inspiring learning environments
	LEADERSHIP DEVELOPMENT	111,677	(51,677)	(30,000)	(30,000)	-	Engaged, empowered and healthy workforce
	EDUCATION PROGRAM CONTINUANCE PROVISION	1,016,140		(1,016,140)		-	Graduation for all / inspiring learning environments
	IN-HOUSE APPRENTICESHIP PROGRAM	61,549	(38,000)	(23,549)		-	Powerful and inspiring learning environments
<b>F</b>	<b>EDUCATIONAL PROGRAMS OVER MULTIPLE YEARS - EQUITY &amp; SUCCESS</b>						
	INDIGENOUS PROGRAM - EARLY LITERACY	315,963	(235,000)	(80,963)		-	Graduation for all / inspiring learning environments
	INDIGENOUS PROGRAM - DISTRICT PORTION (PROG 31)	-				-	Graduation for all / inspiring learning environments
	INDIGENOUS PROGRAM - SATELITE SCHOOL	161,000	(161,000)			-	Graduation for all / inspiring learning environments
<b>F</b>	<b>EDUCATION PROGRAMS OVER MULTIPLE YEARS - CIA</b>						
	CURRICULUM INSTRUCTION & ASSESSMENT	187,234	(94,444)			92,790	Strong Foundations in Literacy and Numeracy
<b>F</b>	<b>EDUCATION PROGRAMS OVER MULTIPLE YEARS - INCLUSIVE EDUCATION</b>						
	INCLUSIVE LEARNING EQUIPMENT	35,000	(35,000)			-	Strong Foundations in Literacy and Numeracy
<b>TOTAL - RESTRICTED FOR OPERATIONS SPANNING MULTIPLE YEARS</b>		<b>8,044,545</b>	<b>(3,011,237)</b>	<b>(2,108,986)</b>	<b>(958,333)</b>	<b>1,965,990</b>	
<b>Percentage of Budget</b>		<b>4.6%</b>				<b>1.1%</b>	
<b>TOTAL INTERNALLY RESTRICTED OPERATING SURPLUS</b>		<b>13,048,750</b>	<b>(4,930,755)</b>	<b>(2,156,993)</b>	<b>(1,017,505)</b>	<b>4,943,497</b>	
<b>Percentage of Operating Budget</b>		<b>7.4%</b>				<b>2.8%</b>	
<b>TOTAL UNRESTRICTED OPERATING SUPPLUS (CONTINGENCY)</b>		<b>1,016,801</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,016,801</b>	
<b>Percentage of Operating Budget</b>		<b>0.6%</b>				<b>0.6%</b>	
<b>TOTAL OPERATING FUND RESERVE</b>		<b>14,065,551</b>	<b>(4,930,755)</b>	<b>(2,156,993)</b>	<b>(1,017,505)</b>	<b>5,960,298</b>	

**Changes to this section since the 2022-23 Original Budget are as follows:** The above section total increased from the budgeted \$2,073,877 to the actual \$3,561,110. The increase of \$1,487,233 included \$311,093 in year-end changes from estimate to actual and the addition of \$1,176,140 (\$1,016,140 Education Program Continuance Provision for the 2023-24 school year, \$100 thousand increase in resources to support the District Vision 2030 and Strategic Plan, \$50 thousand in funding for Learning Resources and a \$10 thousand increase for Tech Ed.).

**Unrestricted Balance Planned Spending:** The prior Unrestricted Balance of \$1,215,643 was changed to \$1,016,001 in planning for future year spending. The Unrestricted Surplus amount represents 0.63% of the overall Operating Budget for 2022-23. Planned spending for 2022-23 is set at \$4.931 million. Funding available for 2022-23 year supports a variety of initiatives that are either of a one-time, contingency, flexible or ongoing nature. All amounts are estimates and may not necessarily be spent as listed. Funding for future years is being accumulated over time. Current balances are not an indicator of the funding that will ultimately be available for these future years.