

SD8 Budget Surplus Clarification

Annual Operating Surplus

What is an annual operating surplus?

- It is money that is left unspent from the operating budget at the end of a single year budget.
- The annual (single year) operating surplus for 2024-2025 in SD8 is \$51,008.

Accumulated Operating Surplus

What is an accumulated operating surplus?

- An accumulated operating surplus is the total money that builds up year to year when the school district spends less than it receives from all funding sources.

Are there any restrictions on how an accumulated operating surplus can be spent?

- Yes. Accumulated operating surplus is divided into two categories: *restricted operating surplus* and *unrestricted operating surplus*.

Restricted Operating Surplus

What is restricted operating surplus?

- Restricted operating surplus is that portion of the accumulated operating surplus that has been set aside through a board motion for specified use in future years.
- These specific future uses could include contracts already signed, other things we have already committed to pay for, or future capital purchases not anticipated to be funded by other sources.
- The restricted accumulated operating surplus in SD8 at June 30, 2025 is \$4,398,277. This money has already been committed by the Board of Education to known, required, and expected expenditures in the coming years. It is not available for other uses.
- Annually the Board reviews the amount that has been spent out of restricted operating surplus and specific future uses. If additional amounts are required for specific future uses, the Board will restrict additional amounts within the total accumulated operating surplus.

Unrestricted Operating Surplus

What is unrestricted operating surplus?

- Unrestricted operating surplus is that portion of the accumulated operating surplus that has built up in the school district's Operating Fund that has not been designated for specific uses.

- This reserve acts as a contingency reserve to ensure financial stability when unexpected costs arise.
- [Policy 621: Accumulated Operating Surplus](#) requires that each year, SD8 maintains 3-5% of operating expenditures as unrestricted operating surplus.
- The unrestricted accumulated operating surplus at June 30, 2025 in SD8 is \$3,106,985. This falls within 3-5% of operating expenditures as required by [policy](#).

2024-2025 Financial Statements and 2025-2026 Budget

Where can I find more information about topics covered in this FAQ?

- See the [2024-2025 Audited Financial Statements](#) on the SD8 website. Schedule 2 on page 28 of that document shows all amounts identified as accumulated operating surplus as of June 30, 2025.
- See the [2025-2026 Annual Budget](#).