

FISCAL MANAGEMENT

Introduction/Purpose

The Board recognizes its responsibility to oversee the management of school district funds in keeping with the school district vision, mission and goals. The Board will receive concise, timely, well organized financial data in an effort to meet this fiscal responsibility. It is the responsibility of the administration to inform the Board at least annually of the financial condition of the district. This shall include the Treasurer's Report of annual fund balances, revenues and expenses; the district's Financial Indicators presented on a five year historical basis; and the district's audit report.

Treasurer's Report - The Treasurer's Report is generated by the Department of Education from the Certified Annual Report prepared by the district and submitted to the Department of Education. The Treasurer's Report includes information such as beginning and ending fund balances for the General Fund, Student Activity Fund, Management Levy Fund, PPEL Fund, Trust Fund, Capital Project Funds, Debt Service Fund and Enterprise Fund.

Financial Indicators

The financial indicators shall serve to provide the district and each Board who serves it with consistent and objective data on both a year-to-year basis and overall trend basis. The district's financial indicators shall include: certified enrollment, unspent authorized balance, unspent authorized balance as a percentage of that year's general fund expenditures, unreserved/undesignated/unrestricted fund balance, unreserved/undesignated/unrestricted fund balance as a percentage of that year's general fund expenditures, solvency ratio, staff expense as a percentage of the general fund, and employee FTE for administrators and teachers. The indicators will be prepared by the Superintendent or his/her designee.

Unspent Authorized Balance

The unspent authorized balance is the remaining legal spending authority at the end of the fiscal year. The district's goal for its unspent authorized balance at June 30 is to be 15% of that year's general fund expenditures. An unspent authorized balance within the range of 10% to 20% of that year's general fund expenditures will be acceptable. Maintaining an adequate unspent authorized balance provides financial stability to the district and protects against unanticipated reductions in funding and/or declining enrollment.

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Undesignated, Unreserved General Fund Balance

The undesignated, unreserved general fund balance is the district's general fund cash balance at the end of the fiscal year, calculated on an accrual basis, and after reductions for amounts properly designated or reserved for specific purposes. The district's goal for its undesignated, unreserved general fund balance at June 30 is to be 15% of that year's general fund expenditures. An undesignated, unreserved general fund balance within the range of 10% to 20% of that year's general fund expenditures will be acceptable. The district will certify annually a cash reserve levy if needed to reach and/or sustain the desired fund balance. A fund balance within the 10% to 20% range enables the district to achieve the highest possible credit ratings from rating agencies, such as Moody's and Standard and Poors. Higher credit ratings are directly related to lower interest rates on long-term debt issued by the district. Sufficient fund balances also eliminate short-term borrowings and related interest expense in the general fund, and protects the district from unanticipated reductions in revenue, including mid-year reductions in state funding.

Allowable Growth

The district shall solicit from the School Budget Review Committee additional allowable growth where it may be available for items such as special education deficit, increasing enrollment, English as a Second Language, and any other lawful purposes. Any award of allowable growth could be levied as a cash reserve levy, in full, in the next available budget year.

Contingency

The district shall prepare an operating budget that includes a contingency of at least 3% of the general fund budgeted expenditures.

Annual Audit

An independent audit will be completed annually. The audit report will be reviewed with the Board and it shall be reconciled with the Treasurer's Report and the district's Financial Indicators Report.