



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: March 22, 2021

AGENDA ITEM: General Operating Fund Balance Report

PRESENTER: Earl Husfeld, Chief Financial Officer

BACKGROUND INFORMATION:

- During December 2014, the Board of Trustees approved a revision to Board Policy CE (LOCAL) to include a fund balance section.
- The following pages contain the revised Board Policy CE (LOCAL) with the fund balance section highlighted.
- In accordance with the provisions of Board Policy CE (LOCAL), the following report is presented for your information:

| <u>General Operating Fund Balance Report</u> | | |
|--|--------------------------------------|---|
| <u>Description</u> | <u>Actual at August 31, 2020</u> | <u>Projected at August 31, 2021</u> |
| Fund Balance | \$28,332,782 | \$27,532,055 |
| Annual General Operating Fund Expenditures | \$56,206,101 | \$61,909,334 |
| General Operating Fund Balance Percent | 50.41% | 44.47% |

FISCAL INFORMATION:

None – Informational Report

ATTACHMENTS:

Board Policy CE (LOCAL) and Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds for the Year Ended August 31, 2020

ADMINISTRATIVE RECOMMENDATION:

None – Informational Report

ANNUAL OPERATING BUDGET

CE
(LOCAL)

| | |
|-------------------------|--|
| FISCAL YEAR | The District shall operate on a fiscal year beginning September 1 and ending August 31. |
| BUDGET PLANNING | Budget planning shall be an integral part of overall program planning so that the budget effectively reflects the District's programs and activities and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered, as well as input from the District- and campus-level planning and decision-making committees. Budget planning and evaluation are continuous processes and shall be a part of each month's activities. |
| BUDGET MEETING | <p>The annual public meeting to discuss the proposed budget and tax rate shall be conducted as follows:</p> <ol style="list-style-type: none">1. The Board President shall request at the beginning of the meeting that all persons who desire to speak on the proposed budget and/or tax rate sign up on the sheet provided.2. Prior to the beginning of the meeting, the Board may establish time limits for speakers.3. Speakers shall confine their remarks to the appropriation of funds as contained in the proposed budget and/or the tax rate.4. No officer or employee of the District shall be required to respond to questions from speakers at the meeting. |
| AUTHORIZED EXPENDITURES | The adopted budget provides authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the District's approved purchasing procedures. The expenditure of funds shall be under the direction of the Superintendent or designee who shall ensure that funds are expended in accordance with the adopted budget. |
| BUDGET AMENDMENTS | The Board shall amend the budget when a change is made increasing any one of the functional spending categories or increasing revenue object accounts and other resources. |
| FUND BALANCE | A financial goal shall be to have sufficient fund balance in the general operating fund to be able to maintain fiscal independence of the District in case of a financial need or crisis. It is essential that the District maintain an adequate level of fund balance to mitigate financial risk that can occur from revenue fluctuations, unforeseen expenditures, and student growth and that provides cash flow liquidity for the District's general operations. The District shall maintain a total general operating fund balance of at least 35 percent of the total annual general operating fund expenditures. |

ANNUAL OPERATING BUDGET

CE
(LOCAL)

The total general operating fund balance shall encompass the nonspendable fund balance, the restricted fund balance, the committed fund balance, the assigned fund balance, and the unassigned fund balance. The District shall maintain an unassigned general operating fund balance of at least 20 percent of the total annual general operating fund expenditures.

Projected compliance shall be considered annually during the budget adoption process.

The chief financial officer shall annually prepare a report of the general operating fund balance not later than 90 calendar days following Board acceptance of the annual independent financial audit to address compliance with the minimum requirements of this policy.

ALEDO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

| Data Control Codes | 10 General Fund | 50 Debt Service Fund | 60 Capital Projects |
|--|----------------------|-------------------------|------------------------|
| REVENUES: | | | |
| 5700 Total Local and Intermediate Sources | \$ 43,908,889 | \$ 17,138,663 | \$ 209,497 |
| 5800 State Program Revenues | 16,765,764 | 221,471 | - |
| 5900 Federal Program Revenues | 323,037 | - | - |
| 5020 Total Revenues | <u>60,997,690</u> | <u>17,360,134</u> | <u>209,497</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| 0011 Instruction | 31,664,427 | - | 1,877,386 |
| 0012 Instructional Resources and Media Services | 663,914 | - | - |
| 0013 Curriculum and Instructional Staff Development | 501,370 | - | - |
| 0021 Instructional Leadership | 774,445 | - | - |
| 0023 School Leadership | 3,074,568 | - | - |
| 0031 Guidance, Counseling, and Evaluation Services | 1,923,940 | - | - |
| 0033 Health Services | 562,689 | - | - |
| 0034 Student (Pupil) Transportation | 2,903,802 | - | 764,278 |
| 0035 Food Services | 1,306 | - | 44,602 |
| 0036 Extracurricular Activities | 2,618,708 | - | - |
| 0041 General Administration | 2,690,327 | - | - |
| 0051 Facilities Maintenance and Operations | 5,822,349 | - | 660,858 |
| 0052 Security and Monitoring Services | 695,789 | - | - |
| 0053 Data Processing Services | 1,104,857 | - | 50,000 |
| Debt Service: | | | |
| 0071 Principal on Long-Term Debt | - | 10,126,594 | - |
| 0072 Interest on Long-Term Debt | - | 8,127,563 | - |
| 0073 Bond Issuance Cost and Fees | - | 7,841 | 1,188,538 |
| Capital Outlay: | | | |
| 0081 Facilities Acquisition and Construction | 163,702 | - | 5,191,882 |
| Intergovernmental: | | | |
| 0091 Contracted Instructional Services Between Schools | 258,842 | - | - |
| 0099 Other Intergovernmental Charges | 781,066 | - | - |
| 6030 Total Expenditures | <u>56,206,101</u> | <u>18,261,998</u> | <u>9,777,544</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>4,791,589</u> | <u>(901,864)</u> | <u>(9,568,047)</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| 7911 Capital Related Debt Issued | - | - | 133,590,000 |
| 7912 Sale of Real and Personal Property | 296 | - | - |
| 7915 Transfers In | - | - | - |
| 7916 Premium or Discount on Issuance of Bonds | - | 1,295,750 | 17,550,623 |
| 7949 Other Resources - Co-op Distribution & Royalties | 34,587 | - | - |
| 8911 Transfers Out (Use) | (100,000) | - | - |
| 7080 Total Other Financing Sources (Uses) | <u>(65,117)</u> | <u>1,295,750</u> | <u>151,140,623</u> |
| EXTRAORDINARY ITEMS: | | | |
| 8913 Extraordinary Item - (Use) - Mediation Agreement | (249,000) | - | - |
| 1200 Net Change in Fund Balances | 4,477,472 | 393,886 | 141,572,576 |
| 0100 Fund Balance - September 1 (Beginning) | 23,855,310 | 2,888,899 | 6,573,408 |
| 3000 Fund Balance - August 31 (Ending) | <u>\$ 28,332,782</u> | <u>\$ 3,282,785</u> | <u>\$ 148,145,984</u> |

The notes to the financial statements are an integral part of this statement.