



YEAR TO YEAR CHANGE IN FUND BALANCE

DRAFT FUND BALANCE RESOLUTION (Pending Annual Financial Audit Completion)	<i>(Prior Year)</i>		RECOMMENDATION <i>8/31/2025</i>
	ADOPTED <i>8/31/2024</i>	REVISIONS <i>8/31/2024</i>	
Non-spendable			
Inventories	\$ 3,200	\$ 3,200	\$ 3,200
Prepaid Items	1,406,806	1,406,806	1,406,806
	1,410,006	1,410,006	1,410,006
Assigned			
Disaster Recovery	18,000,000	18,000,000	18,000,000
Litigation and Tax Settlements	6,000,000	6,000,000	6,000,000
Insurance Deductibles	3,000,000	—3,000,000	2,000,000
Claims and Judgements	500,000	500,000	500,000
Ten-Year Capital Replacement Plan	15,000,000	15,000,000	15,000,000
Capital Improvement Contingency	5,000,000	5,000,000	5,000,000
Six (6) Months of Operating Expenditures	-	—	35,000,000
One-Time Pay Increase Allocation "In Lieu of Pay F	2,000,000	—2,000,000	24,000,000
"All Kids Eat FREE" Food Service (23-24)	1,200,000	—1,200,000	12,000,000
	50,700,000	—50,700,000	117,500,000
Committed			
Early Childhood Center Classrooms Additions			7,000,000
All-Purpose Practice Facility & Fieldhouse	44,832,092	—44,832,093	
	44,832,092	—44,832,093	7,000,000
Unassigned			
	54,610,926	—54,610,927	35,099,994
Total General Fund Balance	151,553,024	—151,553,026	161,010,000
Projected Surplus/Deficit			9,456,974

The following draft fund balance resolution reflects changes between the **recommended General Fund balance** and the prior year's approved resolution. The updates align reserve levels with current risk exposure, operational needs, and long-term financial planning priorities. Key changes include:

- Insurance Deductibles**
The reserve for insurance deductibles has been **reduced to \$2.0 million** following a reassessment of risk exposure. Under the prior assumption, the District would have needed approximately **\$100 million in insured losses** to reach the former deductible threshold, which administration determined to be unlikely.
- Six (6) Months of Operating Expenditures**
The District continues to maintain reserves equal to six months of operating expenditures, exceeding minimum requirements and aligning with **TEA fund balance expectations** and prudent fiscal management practices.

- **Employee Retention Stipend**

This allocation is classified as a **one-time pay increase** and reflects a long-term planning assumption of up to **10 years of potential costs**, as discussed during the Bond 2025 approval process. This assumption is reviewed annually and may be adjusted based on financial conditions and operational priorities.

- **All Kids Eat Free Program**

This program is treated as a **one-time expenditure**, with long-term cost assumptions extending up to **10 years**, subject to annual review based on participation levels and fiscal conditions.

- **Removal of Committed Fund Balance – All-Purpose Facility**

The previously committed fund balance for the All-Purpose Facility has been removed, as the project was included in **Bond 2025** and funded through the adoption of a reimbursement resolution. As a result, the reimbursed amounts have been returned to the **General Fund**, eliminating the need for a separate committed reserve for this project.

- **Early Childhood Center Classroom Additions**

This allocation supports the addition of **eight (8) classrooms**, based on a campus utilization study and operational review. As an experiential learning campus, the Early Childhood Center requires adequate instructional space to support enrollment growth, program demands, and daily operations.

Overall, the proposed resolution reflects a **net increase in the General Fund balance** compared to the prior year, while maintaining transparency, fiscal responsibility, and alignment with District priorities.