

Financial Reserves Plan

January 23, 2018

Financial Reserve Plan

- Long term review of financial health and reserves of the district
- Assist district in planning for long term financial stability
- Provides clarity and transparency for community
- Provides framework for BOE financial planning

- Board of Education adopted April 19, 2016
 - Review and adopt updated plan each year after audit
- Finance committee reviewed
 - Target levels for each reserve and updated balances
 - Financial model parameters

Financial Reserve Plan

- Finance Committee Recommendations
 - Maintain financial model parameters
 - Maintain target levels for each reserve
 - Continue to fund Capital 3 Reserve with any surplus

Financial Reserves

Reserve	Balance 6/30/16	Balance 6/30/17	Increase (Decrease)
Employee Benefit Accrued Liability	1,609,445	1,609,445	0
Encumbrances	274,566	230,138	(44,428)
Workers Compensation	1,072,572	972,572	(100,000)
Capital	2,084,472	2,084,472	0
Capital 2	2,000,000	2,000,000	0
Capital 3		1,139,235	1,139,235
Repair Reserve		100,000	100,000
Unemployment	352,409	352,409	0
Insurance	300,000	300,000	0
Retirement Contribution	2,845,246	2,845,245	-1
Tax Certiorari	59,695	30,800	(28,895)
Subtotal	10,598,405	11,664,316	1,065,911
Reserve for Subsequent Year - Unassigned	1,341,600	1,341,600	0
Unassigned	1,221,697	1,233,479	11,782
Total Fund Balance	13,161,702	14,239,395	1,077,693



Questions

Financial Reserves Parameters

	Worst Case	Base Case	Best Case
Medical	12.0%	9.0%	6.0%
Social Security	3.2%	3.2%	3.2%
Salary	3.2%	3.2%	3.2%
Insurance	8.0%	5.0%	2.0%
Teachers Retirement System	12.0%	7.5%	-6.0%
Employee Retirement System	12.0%	7.5%	-6.0%
Other	3.0%	1.0%	-1.0%