Code No. 701.5R1

# FISCAL MANAGEMENT – FINANCIAL METRICS

The following relevant PK-12 public sector indicators will be provided to the Board annually to better understand the financial trends of the district. These indicators will be an accurate depiction as of June 30th of the preceding fiscal year and will depict at a minimum of three years of data.

- Total revenues and expenditures by fund and major sources;
- Financial Solvency Ratio - assigned plus unassigned fund balances divided by total revenue minus AEA flow through;
- Unspent Authorized Budget Ratio - amount of maximum spending authority left at year end after deducting the general fund expenditures incurred during the year;
- Unspent Authorized Balance Ratio Net of Restricted Fund Balances (Categorical Fund Balances) - amount of maximum spending authority left at year end after deducting both the general fund expenditures incurred during the year and the total restricted fund balances (categorical fund balances) at year end;
- ***Maximum Amount of Unspent Balance – the maximum allowable amount of unspent balance of authorized expenditures of the district, determined in accordance with applicable laws;***
- Enrollment Trend - funding follows the student so it is important to understand district enrollment numbers;
- Staff costs as a percent of total general fund.

**Financial Projections**

Five-year projections of the general fund will be prepared and updated annually. The general fund is the operating fund of the district where the majority of salaries and benefits are funded. Projections will help the board determine sustainability of the annual operating budget and help make future budgetary decisions.

The District is committed to utilizing the following financial metrics in determining district financial goals:

1. Unspent Authorized Budget Ratio: Maintain unspent authorized budget ratio within the 15-25% target range. The current year's projected balance will be discussed with the Board before staffing and other spending decisions are finalized for the succeeding year.
2. Unspent Authorized Budget Net of Restricted Fund Balances (Categorical Balances): Maintain unspent authorized budget ratio net of restricted fund balances (categorical balances) within the 1-5% target range. The district will attempt to spend the restricted (categorical) annual allocation in the year received to the extent possible.
3. ***Maximum Amount of Unspent Balance: the maximum amount of unspent balance shall be 35%. The intent of both the target range and the maximum amount of unspent balance shall be to equalize educational opportunity, provide a good education for all district children, provide property tax relief, decrease the percentage of school costs paid from property taxes, and to provide reasonable control of school costs.***
4. Solvency Ratio: Maintain an unrestricted, uncommitted general fund balance within the 12-20% target range with 10% being a minimum goal. The current year's projected balance will be discussed with the Board before establishing the succeeding year's cash reserve levy and before staffing and other spending decisions are finalized.

Legal Reference: Iowa Code §§ 257.31
Iowa Code §§ 279.8
Iowa Code §§ 257.7