

Board of Trustees Douglas County School District

FINANCES

BUDGET PREPARATION AND FUND BALANCES

The Board considers the preparation of an annual budget to be one of its most important functions as the budget is the financial reflection of the educational plan for the District. The budget shall be designed to carry out that plan, to maintain school facilities, and to honor the obligations of the District.

In order to ensure adequate time for the preparation and review of the proposed budget, the Board requests that the Chief Financial Officer (CFO) present to the Board all available information associated with the Tentative Budget in April, and the Final Budget by the third Wednesday of May. The Board will then direct any revisions to the Tentative and/or Final prior to approval and submission to the Departments of Education and Taxation on or before April 15 and June 8 respectively of each year.

In any year in which the Legislature by law increases or decreases the revenues of a local government, and that increase or decrease was not included or anticipated in the local government's final budget as adopted pursuant to NRS 354.598, the governing body of any such local government may, within 30 days of adjournment of the legislative session, file an amended budget with the Department of Taxation increasing or decreasing its anticipated revenues and expenditures from that contained in its final budget to the extent of the actual increase or decrease of revenues resulting from the legislative action.

In preparing the budget, all revenues and appropriations shall be prepared on a realistic basis with all parts carefully estimated, described and recorded. To provide a safeguard against variances between budgeted and actual enrollment, budget estimates of enrollment may be more conservative than other projections of enrollment. All anticipated expenditures for the upcoming budget year shall be carefully estimated and incorporated into the budget as planned. Estimated resources and expenditures are to be categorized in a manner that complies with the appropriate regulations of the Nevada Departments of Taxation and Education, any state and federal guidelines, as well as including generally accepted accounting principles (GAAP) applicable to local governments.

When preparing the District's Tentative and Final budgets for any given year, particular attention shall be given to including appropriate contingencies and fund balances in all school district funds. Fund balances are intended to serve as a measure of the financial resources available in a governmental fund. As such, the District is responsible for maintaining a prudent level of financial resources to

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protect against reducing service levels or incurring debt because of temporary revenue shortfalls or unpredicted one-time expenditures.

Adequate balances must be budgeted in order to maintain the School District's credit rating, to minimize interest costs to taxpayers, to meet seasonal cash flow needs, to facilitate a financially sound transition between fiscal years, and to financially protect the District against fluctuation or unforeseen reductions in revenue and unforeseen expenditures in excess of the appropriated amounts. Therefore, all District funds are to have adequate and appropriate budgeted ending fund balances.

The following should be taken into consideration in formulating budgeted ending fund balances:

1. Cash flow requirements needed to support operating expenses;
2. The relative stability of the fund's revenue from year to year;
3. Susceptibility of the fund to emergency or large unanticipated expenditures;
4. The credit worthiness and capacity of the fund to support debt service requirements;
5. Legal or regulatory requirements relative to revenues, disbursements, and fund balances; and
6. Such other factors as the Board, in its discretion, shall determine.

[See Administrative Regulation related to this Policy](#)

Reference: NRS 354.470 – 354.626; 387.300

Adopted: 08/12/80
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