

FEBRUARY 2024

FUND BALANCE OVERVIEW

Spring Branch Independent School District

WHAT A FUND BALANCE IS:

A FUND BALANCE:

The difference between assets and liabilities as of the close of the fiscal year. **Includes three categories:**

Nonspendable Examples include inventories, prepaid items, deferred expenditures, long-term receivables, and outstanding encumbrances

Assigned Examples include insurance deductibles and compensated absences

Unassigned Everything else

WHAT

A FUND BALANCE IS NOT:

A FUND BALANCE IS NOT:

- **True excess funds used for any purpose**
- **A self-replenishing source**
- **A yearly guarantee**

BOARD POLICY CE (LOCAL)

The level of **adequacy for fund balances** shall be **19 percent of the current budget** for the **General Fund** (except for nonspendable and restricted).

How does SBISD use FUND BALANCE?

SBISD leverages unassigned fund balance to support the district's cash flow needs.

- SBISD's fiscal year end is June 30. **However, our teachers are paid based on their contract year (Sept. – Aug.), not our fiscal year.**
- SBISD's begins receiving property tax payments in December. However, the district has cash flow needs to fund operations in the summer and fall months.

The district has budgeted to use 25% of fund balance to maintain current programming for the current 2023-24 fiscal year.

How does SBISD use FUND BALANCE?

SBISD uses fund balance for **unforeseen catastrophic events** such as weather events or damage to facilities.

Insurance reimbursements can take 1-2 years to be received.

Beginning Fund Balance

(6/30/23)

\$137,500,000

\$2,200,000

\$2,400,000

TOTAL NON SPENDABLE: \$4,600,000

SUB TOTAL: \$132,900,000

\$36,500,000

\$2,200,000

\$10,200,000

\$14,000.000

TOTAL ASSIGNED: \$62,900,000

UNASSIGNED: \$70,000.000

Spring Branch ISD FUND BALANCE

| Fund Balance as of June 30, 2023 | |
|----------------------------------|----------------------|
| Non Spendable: | |
| Prepaid Expenditures | \$2,200,000 |
| Inventory | \$2,400,000 |
| Assigned: | |
| 23/24 Use of Fund Balance | \$36,500,000 |
| Capital Equipment Replacement | \$2,200,000 |
| Compensated Absences | \$10,200,000 |
| Disaster Response | \$14,000,000 |
| Unassigned: | \$70,000,000 |
| Total: | \$137,500,000 |

JUNE 30, 2023

The background features the word "QUESTIONS?" in a large, light blue, outlined font, centered horizontally. Overlaid on this is a solid yellow rectangular box containing the same word "QUESTIONS?" in a bold, dark blue, sans-serif font.

QUESTIONS?

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