Jamestown City School District
Fund Balance and Reserves
Report of Examination
2022M-97

1) **Audit Recommendation***:* Develop and adopt budgets that include reasonable estimates for appropriations and the amount of fund balance and reserves that will be appropriated and used to fund operations.
   Implementation Plan of Action: The district works hard to develop and adopt budgets that include reasonable estimates and appropriations. Budgets are developed on the assumptions that we will be fully staffed and has built in contingency for utility changes, fuel price changes, and student placement changes.
   Implementation Date: 04/30/2023
   Person(s) Responsible for Implementation: Brittnay Spry, Director of Budget and Finance

2) **Audit Recommendation***:* Discontinue the practice of appropriating fund balance and reserves that is not needed or used to fund operations.
   Implementation Plan of Action: The district currently appropriates fund balance and reserves based on budget projections for the following year. The district will review projections during budget development and appropriate fund balance and reserves that are needed.
   Implementation Date: 04/30/2023
   Person(s) Responsible for Implementation: Brittnay Spry, Director of Budget and Finance

3) **Audit Recommendation***:* Develop and adopt a plan to reduce surplus fund balance to comply with the statutory limit. Surplus funds can be used for:
   a. Reducing District property taxes
   b. Funding one-time expenditures
   c. Funding needed reserves, and
   d. Paying off debt

   Implementation Plan of Action: During the 2021-2022 school year, the District reviewed surplus fund balance and used it to fund needed reserves as well as pay down principal on BANS. The district will continue this practice during the 2022-23 school year and beyond as necessary.
   Implementation Date: 06/30/2023
   Person(s) Responsible for Implementation: Brittnay Spry, Director of Budget and Finance

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Audit Recommendation*:* Adopt a comprehensive written reserve fund policy that addresses the objective of each reserve, targeted or maximum funding levels and conditions under which reserves will be used and replenished.
Implementation Plan of Action: During the 2021-2022 school year District Administration and Governance worked together to create a more comprehensive written reserve fund policy that addresses the objective of each reserve, targeted funding level and the conditions under which the reserve will be used and replenished. The district and the board review and adopt this reserve fund plan on an annual basis.
Implementation Date: 11/15/2022
Person(s) Responsible for Implementation: Brittnay Spry, Director of Budget and Finance

4) **Audit Recommendation***:* Review the funding and use of the EBALR to ensure the reserve is funded and used only for permissible expenditures in accordance with statute.
Implementation Plan of Action: The district will review the funding and use of the EBALR to ensure the reserve is funded and used only for permissible expenditures in accordance with statute. The district will ensure this information is within the district Reserve Fund Plan so that District leadership is knowledgeable on the appropriate use of this reserve.
Implementation Date: 12/31/2022
Person(s) Responsible for Implementation: Brittnay Spry, Director of Budget and Finance

5) **Audit Recommendation***:* Consult with legal counsel as to the appropriate remedy for addressing the improper use of the EBALR.
Implementation Plan of Action: The district will consult with legal counsel to determine the appropriate remember for the improper use of the EBALR.
Implementation Date: 12/31/2022
Person(s) Responsible for Implementation: Brittnay Spry, Director of Budget and Finance

Signed:

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Kevin Whitaker, Ed. D. Date

Superintendent of Schools

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