

Community Learning Center Schools

Minimum Fund Balance Policy

Community Learning Center Schools (CLCS) is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The CLCS Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to **no less than two months** of general fund operating expenditures, or **17%** of General Fund expenditures and other financing uses.

CLCS is required to maintain a minimum unassigned fund balance of not less than **3% of budgeted general fund expenditures** and other financing uses as a Reserve for Economic Uncertainties. CLCS believes a reserve of this level is prudent to maintain a high bond rating and to protect CLCS from the effects of fluctuations in revenues.

CLC Schools will move a minimum of 2.5% operating income into reserves annually, unless there is a planned deficit in a given year. If there is a deficit, every reasonable effort will be made to supplement the amount moved into reserves in subsequent years as a means of making up for the loss during the shortage year.

Below are calculations for what's above, based on 15-16 expenditures.

Calculation	Nea	ACLC
Total expenses 15-16	4,700,239	3,332,556
Monthly expenses	391,686	277,713
2 months expenses	783,373	555,426
17% of expenses	799,040	566,534
3% of expenses	141,007	99,976