TWIN LAKES STEM ACADEMY
FUND BALANCE POLICY (703)

I. PURPOSE

The purpose of this policy is to insure the financial stability of Twin Lakes STEM Academy, to provide a sound basis to justify continuation of the strong financial rating, and to provide a reserve enabling the school to deal with unforeseen budget expenditures.

II. GENERAL STATEMENT OF POLICY

To ensure the financial strength and stability of Twin Lakes STEM Academy, the board will endeavor to maintain a targeted fund balance of 20% of our revenues.

If a target fund balance of at least 10% is not able to be met or maintained in a school year, the board will review the budget to determine the reason, provide justification, and determine a plan to increase the target fund balance to 10% in the following school fiscal year.

The board will review the fund balance target over time to accommodate the changing financial situation and holdback from the state of Minnesota.

Adopted:
Revised: 12/16/2024