



LOUISIANA DEPARTMENT OF EDUCATION

Date: April 8, 2014

To: Parish/City School Business Managers
Type 2 and Type 5 Charter School Business Managers
Recovery School District Chief Financial Officer

From: Charlotte Stevens, Division Director
Education Finance

Subject: FY2013/14 Fiscal Risk Assessment

By law, each city, parish or other local public school board shall be notified on a regular basis by the State Department of Education of its financial status per the annual Fiscal Risk Assessment. The FY2013/14 Fiscal Risk Assessment has been updated and populated for each local education agency (LEA) to include the latest data available for each factor. The following documents are included as enclosures to this correspondence:

- **Description of Factors** - contains details regarding each factor included in the financial risk assessment
- **District/School Response Form** - to be completed and submitted to the Department of Education by close of business on **Friday, May 2, 2014**
- **Purpose of Financial Risk Assessment** – provided for your reference

Each LEA's preliminary data will be sent in a separate e-mail to the specific LEA/school system. Please review each of the factors carefully and complete the enclosed response form which will be used to update each LEA's risk assessment data. The district response form includes the following items:

- Additional Information/Comments
 - Should you find that the data for your LEA is in error for any given factor, provide updated information accompanied by documentation to substantiate the update. Also provide any additional comments or information that you feel should be considered during the review process.
- Factor R (General Fund Deficit Spending)
 - If your LEA experienced general fund deficit spending, provide details to justify why the situation occurred, and/or outline plans that have been or will be put in place to address any deficiencies.

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- Factor S (General Fund Balance as a Percentage of General Fund Revenue)
 - If your fund balance is near or below the recommended percentage of general fund revenues, or has decreased significantly from the prior year, provide details regarding the status of your general fund balance and/or outline any plans that have been or will be put in place to address any deficiencies.

Each LEA's risk assessment data will be updated as necessary to include the comments provided by the LEA. Department staff will prepare an action summary in which the issues for each school/district are listed. The action summaries will be provided to the State Board of Elementary and Secondary Education (SBESE) along with the Department's recommendation for further follow-up categorized as follows:

- No Action Necessary
- Department of Education Action Required
- Potential SBESE Action Required

Phase III of the Fiscal Risk Assessment process includes the evaluation of certain data as it becomes available throughout the fiscal year and includes the following two factors:

- Evaluation of the next year's General Fund Budget Form A which is due to the Department September 30 each year.
- Consideration of the receipt of information or an occurrence during the fiscal year that creates a critical situation.

If you have any questions, you may contact Zalinsky Matthew 225-342-6216 or via e-mail at zalinsky.matthew@la.gov.

CS/zm

Attachments

- c: Parish/City Superintendents
Type 2 and Type 5 Charter School Board Presidents
Recovery School District Superintendent
Beth Scioneaux, Deputy Superintendent, Finance
Paula Matherne, Budget Administrator, Finance

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