



Draper Notes

August 5, 2015

Superintendent Continues to Withdraw from Emergency Reserves

Every Florida school district is required by law to maintain an emergency reserve fund to use when the flow of money from the state is suddenly reduced. Most families refer to this as the rainy day fund.

According to the Florida Department of Education, the DeSoto Superintendent (Gary) had a district emergency reserve fund of \$10,710,660 when she came to office in 2012. This fund had shown a steady increase over many years. The intent of this fund is to keep the district operational when the flow of state dollars to school districts is reduced due to adverse financial conditions. When a school district adopts an annual budget it is really a forecast of funding if the financial conditions in Florida remain the same for that budget year. If tourism drops, a hurricane damages major parts of the state, Florida experiences an oil spill, the financial markets become unstable, or any of a number of items that may occur to reduce this anticipated funding, the amounts of dollars released to the school districts during the year is cut to prevent the state from spending more money than it receives. This is when a school district depends on its emergency reserves to maintain operations. In the past, school districts without emergency reserve funds found themselves having to release personnel from employment to balance the budget.

After taking office, the superintendent (Gary) used \$1,436,446 of the emergency reserves in 2012.2013. This increased to another withdrawal of \$2,728,162 from the emergency reserve in 2013.2014. During the 2014.2015 school year, the superintendent (Gary) withdrew another \$2,890,300 from this emergency reserve fund. In summary the emergency reserve fund for the School District of DeSoto was reduced from \$10,710,660 to \$3,655,752 in three years. This means the superintendent (Gary) has spent \$7,054,908 from the emergency reserves since November, 2012.

The school board minutes reflect no discussion regarding the use of the emergency reserve funds. School board members are provided with annual financial statements which, with minimal effort, show the use of reserve funds. Board members never asked any questions regarding the use of these emergency reserve funds according to the minutes posted. If the school board members do no wake up, there will be no emergency reserves by the 2016.2017 school year. Wait! The superintendent and the school board members will not worry about this because Florida requires that every school district maintain at the very minimum a 3% general fund balance which is \$1,115,000 for DeSoto. How long will that last in an emergency?