



# NWSRA Financial Q&A

## **QUESTION:**

What makes up NWSRA's Revenue portion of the budget?

## **ANSWER:**

The Member District Annual Assessment is 68.84% of revenue that NWSRA receives. Program Fees consists of 11.35% of revenue. Funding from General Reserves consists of 7.97%. Non-Program revenue consists of 5.55% of the total revenue budget. The SLSF Annual Grant Contribution is 4.85% of the revenue portion of the budget and 1.68% is interest income.

**LINKS:** [NWSRA 2020 Revenue Analysis Chart](#), [NWSRA 2020 Revenue and Expense Analysis Chart](#)

## **QUESTION:**

What makes up NWSRA's Expense portion of the budget?

## **ANSWER:**

The largest expense item that NWSRA incurs is the Salary. This makes up 46.32% of the expense. The next largest portion of 16.82% is contributed to Administration. 14.66% is contributed to Program Expenses. Liability/Audit/IMRF attributes to 10.21%. Inclusion accounts for 8.71% and 3.23% attributes to Capital Expenditures.

**LINKS:** [NWSRA 2020 Expense Analysis Chart](#), [NWSRA 2020 Revenue and Expense Analysis Chart](#)

## **QUESTION:**

Does NWSRA function in a Cash or Accrual accounting method?

## **ANSWER:**

NWSRA's accounting is done through the accrual accounting method and some of the monthly reports that are supplied to the Board reflect Accrual and Cash basis. However, the NWSRA Budget and the quarterly reports, which are prepared by staff, are done on a cash basis.

**LINKS:** [Budget Worksheet](#), [A Quarterly Report](#), [Sample Board Financials](#)

## **QUESTION:**

How many funds/accounts does NWSRA have?

## **ANSWER:**

The Operating Fund consists of three bank accounts. They include the Money Market Account, which is used to house all the revenue that NWSRA receives and the Business Checking Account which is used to pay all of the NWSRA expenses, except for P-Cards. Both of these accounts are housed at Village Bank and Trust. P-Cards are paid via wire transfer, from the third Money Market Account, located at Village Bank and Trust, to the IPDLAF account.

The General Reserve Fund is the first Max Safe account, held at Village Bank and Trust, and serves as NWSRA's reserve funds.

The Capital Fund is the second Max Safe account, held at Village Bank and Trust, and serves as NWSRA's account to fund the Capital Plan.

**LINKS:** [Capital Plan](#)

## **QUESTION:**

What is NWSRA's Fund Balance Policy?

## **LINK:**

[Fund Balance Policy](#)

**QUESTION:**

What is NWSRA's Investment Policy?

**LINK:**

[Investment Policy](#), [PFM Statement](#)

**QUESTION:**

Where does NWSRA allocate net funds at the end of the fiscal year?

**ANSWER:**

If NWSRA ends the year with a net balance, staff ensure that expenses for the 1st quarter of the fiscal year can be paid. As explained above with questions one and two, the largest portion of NWSRA's revenue is generated from the MDAA and not from program fees. The largest expense is Full and Part time staff salaries and benefits. To ensure that cash flow is not interrupted in the event of a delay in payment of MDAA from any Member District, 25% percent of budgeted expenditures are placed in the Operating Fund located at Village Bank and Trust (in the Money Market Account).

Once the Operating Fund is at 25% of budgeted expenditures, the next step is to allocate any remaining funds to the Capital Fund for the Capital Plan, which is the second Max Safe account housed at Village Bank and Trust.

Lastly, if a balance remains, funds are transferred to the first Max Safe account (Reserve Fund), located at Village Bank and Trust or invested with NWSRA's PFM Investments.

**QUESTION:**

When does the Board approve the transfer of Net Balance funds?

**ANSWER:**

The Board is provided Fund Balance Transfer Recommendations three times a year. A proposed Fund Balance Transfer Memo is presented in November, when the budget is presented to the Board. An updated memo is presented to the Board in January once the prior fiscal year is closed. A final draft is presented to the Board after the audit is completed and presented to the Board for approval in May.

**LINKS:** [Net Fund Balance Transfer Recommendations Memo](#)

**QUESTION:**

Does NWSRA conduct an annual audit?

**ANSWER:**

NWSRA conducts an annual audit with an outside firm through a closed bid process. Currently, Lauterbach and Amen is the audit firm for NWSRA and will remain in place until 2022. Per Board Policy, NWSRA goes to bid for an Audit Firm every three years, and no firm can serve as an the auditor for more than two consecutive terms.

**QUESTION:**

How does the audit define: non-spendable prepaid, assigned, committed, unassigned amounts?

**ANSWER:**

See the attached documents that include the NWSRA Audit (PDF page 31 and 32) and NWSRA Audit Explanations for the above defined amounts.

**LINKS:** [FY 2019 Audit](#), [Audit Explanations](#)