

GROVELAND COMMUNITY SERVICES DISTRICT
Response to “How does the Board Judge the Financial Health of the District

Excerpts from the “California Special District Governance Academy, Red Flag Indicators”.

- Financial “Red Flag” Indicators:
 1. ***Are reserves being depleted?***
 2. ***Are reserves being used to fund operations?***
 3. ***Has the district borrowed money to meet Operating expenses?***
 4. ***Is the debt service as a percentage of operating expenses too high?***
 5. ***Has scheduled maintenance been deferred?***
 6. ***Is the district unable to finance projects that are critical to its mission?***
 7. ***Did the district receive an unfavorable audit and management letter?***
 8. ***Have district voters repeatedly failed to pass request for fee increases?***