

OPERATING BALANCE

The Board of Education recognizes that the maintenance of an adequate general fund balance serves the School District of Colby as a significant debt avoidance strategy, serves to forestall the necessity for short-term borrowing with attendant interest costs, serves as a positive influence on the District's bond rating, and allows for some interest income accrual to assist in meeting the district's ongoing budget expenditures, changes in the state's revenue appropriations and payment schedules, and compelling emergencies.

Therefore, because of these fiscal advantages, the School District of Colby establishes the financial goal of maintaining a general fund balance equal at least 15% of the District's total annual expenditure at all times.