

## GENERAL FUND BALANCE

The general fund balance is the amount by which assets exceed liabilities. The Board believes there is a need to maintain an operating fund balance to:

1. Provide for an adequate cash flow.
2. To serve as a safeguard against emergency expenditures and/or unrealized revenues.
3. To generate sufficient interest income from investments to offset the interest expense from temporary borrowing for cash flow needs.
4. To cover operating costs until the deferred tax revenue is received in August.
5. To give the district the best possible bond rating, which allows for the lowest interest rate available.

With this in mind, the Board will maintain a Non-G.A.A.P. fund balance of at least 18%, but less than 23% of budgeted expenditures. To provide the best fiscal management of the fund balance, it will be required that appropriation for expenditures from the reserve will require a 2/3 majority vote of the full Board.

Committed funds are used first, followed by assigned and then unassigned amounts.

Annually, the Board of Education will review the fund balance to determine the allocation between non-spendable, restricted, committed, assigned, and unassigned fund balance accounts. The Business Manager is delegated authority to assign fund balance as directed by the Board of Education.