

Tigard-Tualatin School District, 23J
Resolution 1415-14

**RESOLUTION MODIFYING DESIGNATIONS IN BOARD POLICY DBDB "FUND
BALANCE" FOR THE 2015-16 FISCAL YEAR**

WHEREAS, Board Policy DBDB Fund Balance includes specific designations as "best practices" in such a way to ensure an ending fund balance that will provide for sustainability. Fund balances in proposed budgets should be sufficient to:

1. Allow the District to deliver a sustainable level of program throughout recessionary periods; and
2. Protect the District from unnecessary borrowing in order to meet cash-flow needs; and
3. Provide prudent reserves to meet unexpected emergencies and protect against catastrophic events; and
4. Meet the uncertainties of state and federal funding; and
5. Help ensure a district credit rating that would qualify the District for lower interest costs and greater marketability of bonds that may be necessary in the construction and renovation of school facilities

WHEREAS, Board Policy DBDB permits the School Board to authorize deviations from the policy valid only for one year;

WHEREAS, while the District is building reserves, the proposed Budget for the 2015-16 fiscal year does not comply with Board Policy DBDB and the Budget Committee approved the proposed budget.

WHEREAS, the District budget as approved by the Budget Committee bases the reserve policy on a 49/51 State School Fund Grant split for the biennium and operating revenue for the purpose of calculating reserves does not include \$2,698,482 that will be paid by the state during 2015-16. The amount of \$2,698,482 has been set aside as part of a Biennial Smoothing Account for the 2016-17 fiscal year. Reserve calculations are based on \$115,367,286 operating revenue.

WHEREAS, the District was able to increase the unappropriated ending fund balance from \$4,254,986 approved in the 2014-15 budget to \$5,767,900. Contingency remains at 2% and the Rainy Day Reserve is budgeted at \$2,216,400 where it was budgeted at \$0 in the prior year;


NOW THEREFORE, IT IS HEREBY RESOLVED that Tigard-Tualatin School District #23J hereby modifies the designations in policy DBDB for the 2015-16 fiscal year budget as follows:

- Rainy Day Reserve from five (5%) to zero (1.9%) percent (\$2,216,400)

Duly adopted this 22st day of June, 2015 at the regular meeting of the Board of Directors of the Tigard-Tualatin School District 23J.



Dana Terhune, Board Chair



Ernie Brown, Clerk of the Board

Tigard-Tualatin School District 23J
Calculation of Board Policy DBDB

Calculation of operating revenue

Total revenue	\$ 133,155,769
Less	
Beginning fund balance	\$ (15,090,000)
Biennial smoothing account	<u>\$ (2,698,483)</u>
 Total operating revenue	 <u>\$ 115,367,286</u>

Board policy DBDB designation	Board Policy	Calculated amount per DBDB	Amount per Budget	Budgeted Rate	Variance
Contingency	2.0%	\$ 2,307,346	\$ 2,307,100	2.0%	\$ (246)
Unappropriated ending fund balance	5.0%	\$ 5,768,364	\$ 5,767,900	5.0%	\$ (464)
Rainy Day Fund	5.0%	\$ 5,768,364	\$ 2,216,400	1.9%	\$ (3,551,964)