

COMMITMENT TO MINIMUM FUND BALANCE

The board believes that it is important to manage district fiscal resources in a prudent manner. A commitment to minimum (unreserved, undesignated) fund balance may be used to: (1) provide a resource in case of financial emergency occurring after a budget has been adopted; (2) protect the district from having to borrow money if revenues are short; and (3) provide a means of producing interest revenue.

The superintendent shall keep the board of directors advised through regular reports as to the amount of the residual fund balance restrictions, assignments and commitments.

The district shall maintain an adequate commitment to minimum (unreserved, undesignated) fund balance; the goal of such commitment will be to meet the cash flow needs of the district, provide for possible emergency situations, and contribute towards maintaining a bond rating of, or equivalent to, a Moody's bond rating of "A" or above.

Annually, the superintendent or designee will present a general fund budget that includes a commitment of at least five (5) percent of the current year's expenditures plus operating transfers out towards a minimum fund balance, officially titled "commitment to minimum fund balance policy."

Adopted: March 22, 2010
Revised: September 10, 2012